

# FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2002

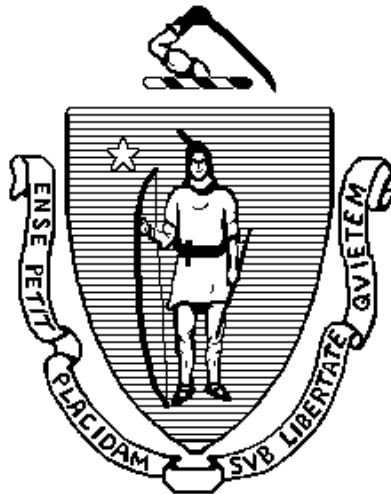


JANE SWIFT, *Governor*

KEVIN J. SULLIVAN, *Secretary for Administration and Finance*

MARTIN J. BENISON, *Comptroller*

# Commonwealth of Massachusetts



## Statutory Basis Financial Report

*For the Fiscal Year Ended June 30, 2002*

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*State Comptroller*

Prepared by  
*The Financial Reporting and Analysis Bureau  
Office of the State Comptroller*

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"After eight consecutive sub-.500 seasons, including a second straight ninth-place finish in the American League in 1966, Red Sox general manager Dick O'Connell decided to place his faith in the young, brash, and confident Dick Williams, who had successfully managed his Triple-A affiliate in Toronto. After accepting the job, Williams was asked how he thought the team would do in the upcoming 1967 season. He predicted, "We'll win more than we lose."

Beating 100 to 1 odds to win the American League pennant with a team of young players and two budding superstars in Carl Yastrzemski, who won the MVP and the Triple Crown, and Jim Lonborg, who won the Cy Young Award, the team became known as the "Impossible Dream" Red Sox. Unfortunately they fell one game short of a World Series Championship, losing Game 7, 7-2, to the St. Louis Cardinals.

In a different era and a different sport, but part of the same starving-for-a-championship fan base, New England Patriots head coach Bill Belichick, off a 5-11 last-place season in the American Football Conference East division in 2000, said of his team's chances in 2001, "We'll be more competitive. We'll have more depth."

On the evening of February 3, 2002, at the Superdome in New Orleans in a suspended second or two, kicker Adam Vinatieri proceeded toward the ball with short, swift steps, driving it with the full force of his right leg, creating a perfect follow-through that sent the ball end-over-end 48 yards through the uprights and into all time. Vinatieri extended his arms in triumph.

The Patriots –the "Impossible Team" –had paid back St. Louis for an entire generation of frustrated Boston sports fans, beating the 14-point favorite St. Louis Rams in Super Bowl XXXVI, 20-17.

Hearts raced as the historic significance of the evening turned screams and cheers to tears. From the players to the coaches, from the owner to the fans watching at the Superdome, and from bars in Copley Square in Boston to the "End Zone" in Foxboro, people were watching—almost 1.3 million viewers, the most-watched program in Boston television history.

This sportswriter sat motionless in his seat in the press box at the Superdome in New Orleans, as the field area was a sky of confetti and players were leaping onto the field and into each other's arms.

Quickly, with an NFL type hovering over my shoulder, waiting for the ballot I was contemplating, I had to make the tough decision on who would be the game MVP. After all, what I had witnessed through 16 games and an equally improbable postseason was the epitome of the word team."

From *The Impossible Team*  
*The Worst to First Patriots' Super Bowl Season*  
By Nick Cafardo  
Triumph Press

Cover photography courtesy of George Martell and the Boston Herald

The Patriots coming onto the field of the Superdome after being introduced not as individual players, but at their request, as a team.

The Patriots Superbowl championship was the first in the franchise's 42-year history.

# Statutory Basis Financial Report

For the Fiscal Year Ended June 30, 2002

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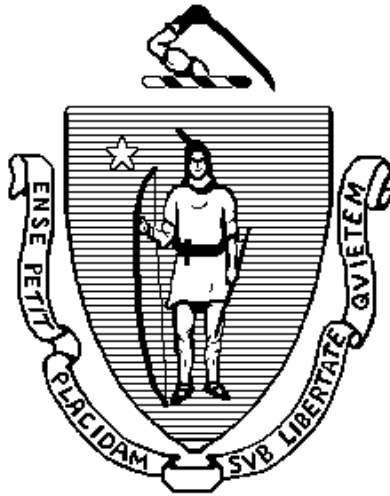
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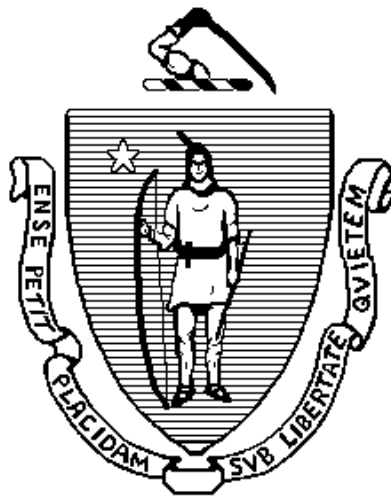


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# *Introductory Section*



Comptroller's Letter of Transmittal  
Constitutional, Legislative and Judicial Officers  
Acknowledgements  
Organization Chart of State Government  
Advisory Board to the Comptroller



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Martin J. Benison, Comptroller  
One Ashburton Place  
Boston, MA 02108

***October 25, 2002***

***To the Citizens of the Commonwealth of Massachusetts,  
Governor Jane Swift, and Honorable Members of the General  
Court***

I am pleased to present to you the Statutory Basis Financial Report of the Commonwealth for the fiscal year ended June 30, 2002 (FY02).

During the 1990's the Commonwealth enjoyed unprecedented growth. In FY02, the economy slowed. The traumatic events of September 11<sup>th</sup> and the nearly complete shutdown of economic activity for the remainder of September 2001 exacerbated an already slowing economy. These events were coupled with a related meltdown of corporate profits and confidence due to private sector disclosure scandals. The effect on the Commonwealth was a downturn in tax revenue that has been worse than forecast both in depth and length. The reduction in taxes was approximately \$2.4 billion or 15.2%, largely from income and corporate taxation. To put the reduction in perspective, \$2.4 billion was larger than the Commonwealth's *entire* tax revenue collected in 1975. Luckily, during the decade from 1993 through and including 2002, tax revenues grew at an average of 4.4% and total governmental revenues grew at an average of 6.1% annually.

During the same time period, budgeted spending in the Commonwealth's major programs, including direct local aid, medicaid and higher education, grew at an annual average of 6.3%. The largest growth in the budget was to these three major programs, with spending on direct local aid doubling in the last decade. Combined, these three major programs encompass \$11.5 billion, half of all of the budgetary programs of the Commonwealth.

With these fiscal challenges in mind, I must report that as of June 30, 2002, that the budget was balanced but only with significant use of reserves and the financial condition of the Commonwealth will continue to present challenges as we reduce the use of reserves and constrain spending within current revenues. As of August 30, 2002, the Federal Reserve Bank of Boston, in its monthly "New England Economic Indicators," reported that the number unemployed in our Commonwealth has increased to 174,000, or a rate of 5.2%. This rate is under the federal rate of 5.7%, but it has risen dramatically even from last year. The same report shows that the consumer confidence index of the present situation has slipped in the Commonwealth from a rate of 116 a year ago, to 68 today.

The largest component of the Commonwealth's reserves is the Stabilization Fund. The Stabilization Fund, funded primarily during the last decade, provides the Commonwealth with a strategic tool to assist the Commonwealth through this difficult time. The Stabilization Fund may be used in three circumstances. The first is to make up any

difference between the actual state revenues and the allowable state revenues in the case of a revenue shortfall. The second is to replace federal funds in the case of a shortfall. Finally, the fund may be used for any event that threatens the health, safety, welfare, or stability of the Commonwealth, including an economic downturn. A significant portion of this fund, along with other reserves, was used in FY02 to minimize the impact of the dramatic drop in revenues. As we go through FY03 and beyond, the challenge will be to use it wisely to help the Commonwealth transition to this new economic reality, not delay necessary changes that must be made. In previous years, year-end transfers of budget surpluses were made to the capital project funds to make strategic investments for the management of the Commonwealth's capital budget, to defease high interest debt that otherwise could not be refunded, and the continuation of reserves funding. These reserve transfers proved to be useful in FY02, as they helped fund operations.

### ***Financial Highlights***

To meet the fiscal challenges of FY02 and beyond, the Commonwealth took extraordinary measures to remain in fiscal balance. The table at the right shows significant balances used to close FY02 and those authorized for use in the FY03 General Appropriation Act.

***Prior Year Surpluses Used to Balance  
Budgetary Funds:  
(Amounts in Thousands)***

	<b><u>FY02</u></b>	<b><u>FY03 (projected)</u></b>
Stabilization Fund	\$ 1,030,000	\$ 550,000
Transitional Escrow Fund	422,000	-
Health Care Security Trust Fund	60,000	-
Caseload Mitigation Fund	56,000	75,000
Medical Security Trust Fund	35,000	-
Tax Reduction Fund	33,605	-
MBTA Infrastructure Renovation Fund	24,000	-
Massachusetts Clean Elections Fund	-	20,164
Ratepayer Parity Trust	-	31,793
Operating Surpluses Transferred from Capital Projects Funds	<u>176,174</u>	<u>-</u>
Total Completed and Estimated Budgetary Transfers	<u><u>\$ 1,836,779</u></u>	<u><u>\$ 676,957</u></u>

- The Commonwealth transferred over \$1 billion out of Stabilization during FY02 as well as \$422 million of FY01 surplus transferred to FY02. An additional \$550 million will be transferred from Stabilization in FY03.
- The split between what is to be spent from the Tobacco Settlement and what should be saved for future periods was adjusted from 30:70 to 50:50 and an additional \$60 million was transferred from previously received tobacco payments for general purposes. All of the tobacco settlement funds received in FY03 will be used for current operations.
- Over \$100 million was removed from capital projects funds initially funded from previous years' operational surpluses.

The Commonwealth also took similar measures operationally to achieve balance.

- 3,953 employees took advantage of an early-retirement program offered by the Commonwealth in the executive branch and higher education, saving the Commonwealth \$30.8 million in FY02 and \$165.8 million in FY03. Filling of vacancies in these positions will amount to \$1.4 million in FY02 and \$29 million in FY03. Additional staff reduction measures, including layoffs, have commenced.

- Taxes on cigarettes, capital gains, the elimination of the personal income tax charitable deduction, and decreases in personal income tax exemptions have been enacted increasing tax revenues by an estimated \$1.2 billion in FY03.
- In addition, the FY03 General Appropriations Act increased certain fees.
- During FY02 and FY03, the Governor used her powers under Massachusetts General Laws Chapter 29, Section 9C to reduce spending.
- The Legislature modified the Pension Funding Schedule by extending the terms by five year, thereby reducing FY02's contribution by \$134 million.
- Finally, the Commonwealth refunded \$1.4 billion in older, higher interest debt to take advantage of historically low interest rates to save on current debt service.

### ***Overview of the Financial Statements***

This report includes the reports on the activity and balances of the budgeted funds, non-budgeted special revenue funds, capital project funds, fiduciary funds and the non-appropriated funds of higher education.

The financial operations of these funds are maintained in the Massachusetts Management Accounting and Reporting System, (MMARS). The statewide accounting system is operated by the Commonwealth and contains detailed information summarized in this report.

The SBFR is intended to satisfy the requirements of state finance law, and to present fairly the results of FY02 activity in the Commonwealth's funds. The report contains computations required by state finance law, including the certification of the Stabilization Fund and Tax Reduction Fund.

### ***Basis of Accounting***

The statutory basis of accounting, defined in Massachusetts law, is typically used to budget and control fiscal operations. The statutory basis of accounting is not in conformity with accounting principles generally accepted in the United States of America, (GAAP) as defined for governments by the Government Accounting Standards Board (GASB). I will report the Commonwealth's financial position on a GAAP basis in December, in our Comprehensive Annual Financial

Report, (CAFR). As the Commonwealth is implementing GASB Statements 34, 35, 37 and 38 in FY02, there will be a major divergence between what is contained in the SBFR fund balance, revenues and expenditures and what will be presented in December under GAAP. The major differences will include presentation of the historical cost of infrastructure, the recording of depreciation expense, the presentation of all types of debt on the face of the financial statements and the presentation of those financial statements in an all – encompassing, net assets and net expense format.

In accordance with Massachusetts General Laws, the Office of the Comptroller transmits the Statutory Basis Financial Report (SBFR) on or before October 31<sup>st</sup>. The SBFR report for fiscal year ended June 30, 2002 herein is audited by Deloitte & Touche, Independent Certified Public Accountants, and represents the conclusion of financial activity and the closing of the Commonwealth's books on the statutory basis of accounting for the fiscal year. This audit is conducted in conjunction with the Office of the State Auditor, which provides knowledge, expertise and resources to close and audit the financial statements.

This report includes the budgeted funds, non-budgeted special revenue funds, capital project funds, fiduciary funds and the non-appropriated funds of higher education.

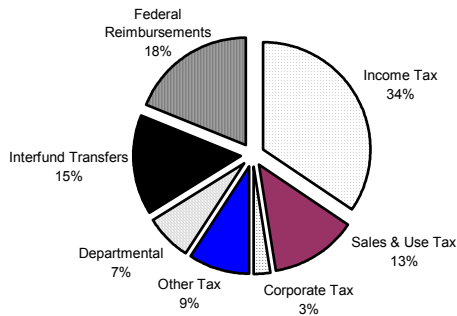
The financial operations of these funds are maintained in the Massachusetts Management Accounting and Reporting System, (MMARS). The statewide accounting system is operated by the Commonwealth and contains detailed information summarized in this report.

### ***The Budgeted Funds***

For FY02, uses of budgeted funds exceeded sources of budgeted funds, resulting in an operating deficit of over \$1.6 billion. This deficit is indicative of the aforementioned economic factors.

Any surplus or deficit has to be viewed in a trend. Generally accepted standards indicate that a structural balance is achieved when revenues exceed expenditures over a period of multiple years. Before one-time use of surpluses, the Commonwealth had over a decade-long record of operating gains. In FY02 and FY03 the budget balance relies on significant use of prior year surpluses. In FY04 and in future years the challenge will be to match spending to available revenues before the reserves are depleted.

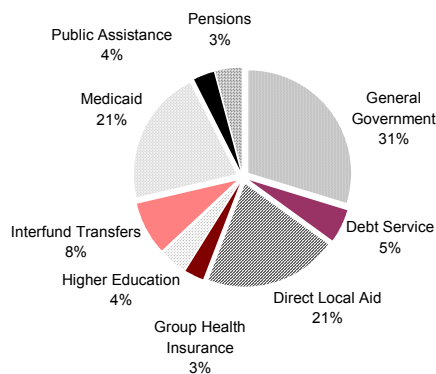
### ***Budgeted Revenues and Other Sources***



In FY02, budgeted revenues and other sources declined 7.4% from FY01 reflecting the unprecedented drop of the income and corporate taxes, offset by increased subsidies to the MBTA and other related financing sources being moved “off budget.” Budgeted tax revenue (adjusted for the change in funding related to the MBTA) decreased by 15.2% over FY01. The decline in income tax receipts is related to deterioration in corporate bonuses and profit sharing as well as an overall decrease in capital gains receipts. These items are estimated to account for over \$1.2 billion of the decline in tax receipts. This is compared to 12% gains in budgeted revenues and 2.5% gains in tax revenues during FY01 from FY00. From a multi-year perspective, the proportion of revenue sources by category to total budgeted revenues and other sources showed a drop in taxes as a proportion of the total budget compared to raises in non-tax categories from FY01 to FY02. Personal income and sales taxes continue to be the largest sources of tax revenue for the Commonwealth. However, for the first time in 50 years of recent tax history, motor fuel tax revenue surpassed corporate tax revenue. This is directly due to the drop in corporate tax revenue.

Further complicating the deficit, budgeted expenditures and other uses, including transfers, increased 7.0% from FY01 to FY02. This increase is due to the increased costs of medicaid (up 13.3%), group health insurance (up 11.9%) and the increasing costs of debt service after FY01’s \$600 million in one-time savings related to defeasance of high interest debt. The Budgeted Funds – Operations table on page 6 displays the FY02 summary of budgeted funds, compared to FY01. Financial statements for each of the 57 individual budgeted funds are included in the financial section of this report. The 2001 balances have been restated due to the transfer of the Mosquito and Greenhead Fly Fund from a budgeted to a non-budgeted fund status.

### ***Budgeted Expenditures and Other Uses***



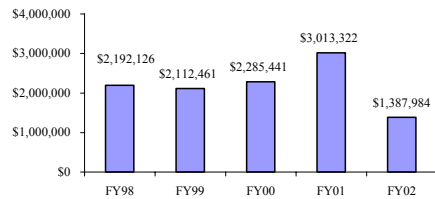
In conducting the budget process, the Commonwealth excludes those “interfund” transactions within the budgeted funds that are included in this report because by their nature, have no impact on the combined fund balance of the budgeted funds. The table Budgeted Funds – Operations isolates this “interfund” activity from the budgeted sources and uses to align forecasts prepared during the budget process to actual amounts in this report. Transfers among the Budgeted Funds increased this year due to amounts transferred from stabilization to other funds to balance the budget for the year. A detailed list of these interfund transfers is included in note 3 to the general purpose financial statements.

The graph of Budgeted Funds – Fund Balance, on page 7, shows the combined fund balance in the budgeted funds for the past five years. This “bottom line” perspective demonstrates the accumulation of resources attributable to balanced budgets over this period. The FY02 ending balance of \$1.4 billion is composed of three items. The Stabilization Fund balance of \$882 million is the largest component. The other components include \$311 million undesignated surplus available for appropriation in FY03 and \$195 million reserved and designated for continuing appropriations and debt service. With the current state of the economy, we now realize the importance of the balance in the Stabilization Fund and its direct correlation to the financial condition of the Commonwealth.

**Budgeted Funds - Operations**  
**(Amounts in thousands)**

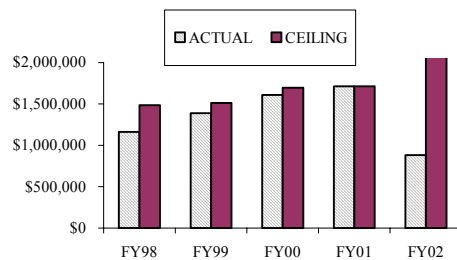
	2001	2002
Beginning fund balances:		
Reserved and designated.....	\$ 278,058	\$ 895,260
Reserved for Tax Reduction .....	7,203	33,565
Reserved for Stabilization Fund.....	1,608,382	1,714,990
Undesignated.....	392,799	369,507
Total.....	<u>2,286,442</u>	<u>3,013,322</u>
Revenues and other sources:		
Taxes.....	16,074,655	13,622,710
Federal reimbursements.....	3,974,158	4,334,934
Departmental and other revenues.....	1,425,894	1,485,249
Interfund transfers from non-budgeted funds and other sources.....	1,385,884	1,732,024
Budgeted revenues and other sources.....	<u>22,860,591</u>	<u>21,174,917</u>
Intragovernmental Service Fund revenues.....	108,527	115,226
Interfund transfers among budgeted funds and other sources.....	822,486	1,759,205
Total revenues and other sources.....	<u>23,791,604</u>	<u>23,049,348</u>
Expenditures and other uses:		
Programs and services.....	19,448,790	20,412,684
Debt service.....	695,171	1,304,735
Pension.....	1,040,121	795,782
Interfund transfers to non-budgeted funds and other uses.....	949,629	287,054
Budgeted expenditures and other uses.....	<u>22,133,711</u>	<u>22,800,255</u>
Intragovernmental Service Fund expenditures.....	108,527	115,226
Interfund transfers among budgeted funds and other uses.....	822,486	1,759,205
Total expenditures and other uses.....	<u>23,064,724</u>	<u>24,674,686</u>
Excess of revenues and other sources over expenditures and other uses.....	<u>726,880</u>	<u>(1,625,338)</u>
Ending fund balances:		
Reserved and designated.....	895,260	195,173
Reserved for Tax Reduction .....	33,565	-
Reserved for Stabilization Fund.....	1,714,990	881,771
Undesignated.....	369,507	311,040
Total.....	<u><u>\$ 3,013,322</u></u>	<u><u>\$ 1,387,984</u></u>

**Budgeted Funds – Fund Balance  
(Amounts in Thousands)**



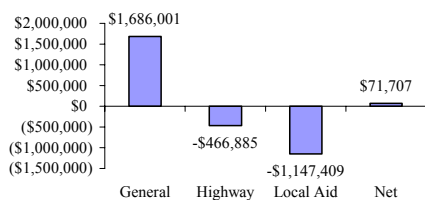
State finance law, as amended during FY02, increased the maximum balance that may accumulate in the stabilization fund to a level of 10% of budgeted revenues and other sources. The law then directs that any amount in excess of this “cap” be transferred to the Tax Reduction Fund for future, one-time, personal income tax rebates. Due to the significant transfers out of stabilization this year, it will be a while before the “cap” will be reached. The details of these calculations can be found on pages 334 through 339 of this report.

**Stabilization Fund –  
Fund Balance  
(Amounts in Thousands)**



The graph, Stabilization Fund Balance portrays this “cap” and the balance of the fund over a five-year period. Despite the Commonwealth’s positive financial condition, a few cautionary notes are merited. There are certain problems with the definitions in the state finance law, enacted in 1986 and continued with slight modifications to the present. A balanced budget, defined as the “Consolidated Net Surplus,” is the combined undesignated fund balance of the General, Local Aid, and Highway Funds. According to this restricted definition, fiscal balance was achieved in FY02, but only after transfers from stabilization and the general capital project fund. This definition excludes 52 other budgeted funds with a combined undesignated fund balance of nearly \$1.2 billion including reserves for continuing appropriations (the largest being stabilization). The Commonwealth should adopt a more straightforward definition of fiscal balance. State finance law should be amended to rationalize the contributions to the Stabilization Fund to include the entire population of budgeted funds.

**“Consolidated Net Surplus”  
Prior to Transfers  
(Amounts in Thousands)**



Under current general laws, an amount equal to 0.5% of tax revenues is retained in the funds contributing to the calculation. Any amount in excess of this is available for transfer from the General and Local Aid funds to a Capital Projects Fund in lieu of bonds (the Open Space Acquisition Fund), leaving any balance to be transferred to the Stabilization Fund.

Further complicating this issue is the existence of a large number of “minor” budgeted funds. Over the past several years, dozens of new “minor” funds have been created. These funds split off revenues and expenditures previously accounted for as part of a major fund, such as the General Fund. A number of these funds have structural imbalances leading to chronic deficits. The trend to fragment the budget into such special interest funds should be addressed with a plan to either consolidate to a more reasonable number of funds or eliminate funds that are structurally in deficit.

### ***The Non-Budgeted Funds***

The Non-Budgeted Funds represent operations in which the government has imposed its sovereign authority, but has excluded these operations from the annual budget process. During FY02, the Commonwealth maintained 35 of these funds. The largest funds in activity include the Lottery, Federal Grants, Debt Defeasance, Health Care Security Trust (the recipient of tobacco settlement funds), Grant Anticipation, Sewer Rate Relief, the Medical Security Trust and the Uncompensated Care Funds. New funds were added this year including the State Racing Fund and the Division of Professional Licensure Fund. The Mosquito and Greenhead Fly Fund became a non-budgeted fund after formerly being a budgeted fund. This change necessitated a restatement of FY01 amounts to conform to current presentation. These funds are commonly referred to as special or dedicated revenue funds whose revenues are matched to related expenditures.

The table, Non-Budgeted Funds – Operations, includes a summary of the FY02 non-budgeted funds. Financial statements for each of the individual funds are included in the financial section of this report. Several of these funds are worth mentioning. At June 30, 2002, the Federal Grants Fund had a positive fund balance, but there is a deficiency in cash within the fund. This situation results in the Commonwealth drawing funds from the federal government a few days after applicable cash disbursements to assure an “interest neutral” timing of the federal – state cash exchange. These requirements were established by the Cash Management Improvement Act of 1990. Within the Lottery Funds, gross revenues continued to increase this fiscal year. The Lottery continues to be a strong source of cash flow for the Commonwealth.

#### **Non-Budgeted Funds - Operations (Amounts in thousands)**

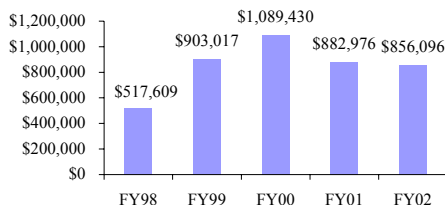
	2001	2002
Beginning fund balance.....	\$ 1,088,429	\$ 882,976
Revenues and other sources:		
Taxes.....	678,205	718,621
Assessments.....	498,269	452,510
Federal grants and reimbursements.....	2,142,304	2,496,932
Tobacco Settlement revenue.....	242,470	304,518
Departmental and miscellaneous.....	4,642,678	5,041,971
Transfers and other sources.....	994,328	434,493
Total revenues and sources.....	9,198,254	9,449,045
Expenditures and other uses:		
Programs and services.....	6,432,539	7,199,414
Debt service.....	62,692	77,413
Transfers and other uses.....	2,908,476	2,199,098
Total expenditures and uses.....	9,403,707	9,475,925
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(205,453)	(26,880)
Ending fund balance.....	\$ 882,976	\$ 856,096

The Health Care Security Trust Fund receives all revenues from the Master Settlement Agreement (MSA) between the states and the tobacco industry to recover healthcare costs for tobacco related illnesses. The MSA estimates the Commonwealth revenues for the first 25 years of the settlement to be approximately \$7.6 billion. However, this estimate is prior to future adjustments, including adjustments for inflation and changes in the volume of domestic cigarette sales. In FY02, the Commonwealth received over \$304.5 million or 90.7% of the estimated amounts shown in the agreement. Of the \$304.5 million, over \$154 million was transferred to the Tobacco Settlement Fund, a budgeted fund. In addition, \$60 million was transferred out to the General Fund. The majority of expenditures from the fund this year were for Health and Human Services, Elder Affairs and Medicaid costs.

Beginning in FY01, a board of public and private sector investment experts, appointed by the Governor, the Attorney General and the Treasurer-Receiver-General, started managing the investment of funds in the trust. This board has broad discretion on investment choices to increase the assets in the fund. The board has chosen to use the Pension Reserves Investment Management Board (PRIM) to invest the assets, leveraging their investment managers' expertise and the economies of scale. The total return on investment in this fiscal year was negative tracking the stock market as whole. For FY02, 50% of payments into the fund and investment earnings thereon were transferred from the trust to the budgeted funds for appropriation by the Legislature, a rise from 30%. For FY03, the Legislature has mandated that 100% of the payments received will be used to balance the budget.

Federal Grant Anticipation Notes, (GANS) activity related to the Central Artery / Tunnel Project (CA/T) continued this year. During FY98, the Legislature authorized the issuance of up to \$1.5 billion in GANS to finance the current cash needs of the Project. As of June 30, 2002, all of the GANS have been issued. These GANS mature between 7 to 17 years from the date of issuance and are redeemed by pledged future federal reimbursements. The GANS are not considered general obligation debt of the Commonwealth. Activity related to issuance of GANS and the accumulation of pledged funds and the payment of debt service is accounted for in the Grant Anticipation Note Trust Fund. The \$113 million surplus in FY02 represents \$80 million held for payment of interest on the GANS and \$33 million in cash from the GANS issuance that will be expended on the construction of the CA/T.

***Non-Budgeted Funds –  
Fund Balance  
(Amounts in Thousands)***



The universal health care funds, including the Uncompensated Care, Labor Shortage and Medical Security Trust Funds, have increased their annual revenue to over \$1.2 billion. However, \$331 million was transferred out to fund operations this year due to the lagging economy. As of the end of FY02, they have a combined fund balance of over \$119 million.

The graph Non-Budgeted Funds Balance shows the combined fund balance in the Non-Budgeted funds for the past five years. In each year, the entire balance is designated for the specific purpose of the fund. The only component of overall growth in fund balance in these funds this fiscal year was due largely to deposits into the Health Care Security Trust and Community Preservation Trust Funds. As indicated in previous years, more consolidation and elimination is needed for these

funds. For example, the Government Land Bank Fund has a chronic structural fund deficit. The FY02 deficit balance of \$35 million remains an unbudgeted drain in cash flows in the General Fund. While steps have been taken to stop the growth in this deficit, the Fund should be abolished and the deficit transferred into the General Fund. An additional deficit exists in the Motor Vehicle Inspection Fund. However, the enabling statute to the Fund mandates that the Fund must be in balance by June 30, 2005. A periodic re-examination of all non-budgeted funds represents sound financial practice.

### ***The Capital Projects Funds***

The purpose of these funds is to construct or acquire capital assets for governmental use. The Governor may propose capital outlay budgets, which, upon enactment by a two-thirds vote of the Legislature and approval by the Governor, become capital outlay acts. Numerous acts may be combined for reporting in an individual Capital Project Fund, but each act is accounted for separately within the Capital Projects Fund. These accounts record authorizations for expenditures in itemized capital appropriation accounts and equivalent authorizations to issue bonds or notes in anticipation of federal reimbursements.

The structure of these funds is that each capital outlay authorization is in balance, creating authorization for inflows, which may be from sales of bonds, federal reimbursements or other revenues and authorization for expenditures. Imbalances due to timing differences develop when the expenditure precedes the inflow of funds from the sale of bonds or federal reimbursements. Because of federal tax arbitrage rules, it is more difficult to sell bonds in anticipation of expenditures. The sale of bonds in advance is not commonplace in the Commonwealth.

The Commonwealth issued nearly \$2.9 billion in debt proceeds this year. Of this amount, nearly \$1.2 billion was in the form of general obligation refunding bonds, taking advantage of low interest rates. These refundings generated approximately \$47.1 million in present value debt service savings. In June 2002, the Commonwealth issued another \$330.1 million of special obligation bonds, of which \$194.1 million was for a refunding. The escrow funded by the refunding bonds and related premium secured \$190.1 million in special obligation bonds maturing on June 1, 2003, 2004, 2006 and 2008. The interest on the newly issued refunding bonds is also paid from this escrow until the final redemption. This technique, which is normally referred to as a "crossover refunding," results in economic savings, but does not result in the defeased debt being removed from the Commonwealth's books until the call dates.

A significant portion of the Capital Projects activity continues to relate to the Central Artery / Tunnel Project (CA/T). The CA/T has been the target of an enormous amount of public scrutiny. As indicated in the notes to the Combined Financial Statements – Statutory Basis, the financial disclosure portion of the project is under review with various federal agencies. The Commonwealth has aggressively responded to these concerns regarding the integrity of the cost estimates. For the third year, an independent evaluation of the entire estimate for the project has been undertaken. The current cost estimate of the project

**Central Artery / Tunnel Project**  
**(Amounts in Billions)**

Sources of Funds:	2001	2002
Federal Funds	\$7.049	\$7.049
GANS	1.500	1.500
Massachusetts Turnpike Authority	1.706	1.850
Massachusetts Port Authority	0.300	0.365
Other Commonwealth Debt	3.077	3.711
Commonwealth Operating Funds and Investment Earnings	0.843	0.150
<b>Total Sources</b>	<b>\$14.475</b>	<b>\$14.625</b>
<b>Costs of Construction:</b>		
Actual Costs through end of FY	\$10.425	\$11.655
Estimated Spending:		
FY02	1.472	-
FY03	1.122	1.254
FY04	0.985	0.907
FY05	0.336	0.588
FY06	0.135	0.221
<b>Total Estimated Costs of Construction:</b>	<b>\$14.475</b>	<b>\$14.625</b>

stands at \$14.625 billion. The federal government has capped its contribution to this project and the finance plan includes state sources to fund this increase. The project is over 83% complete as of June 30, 2002.

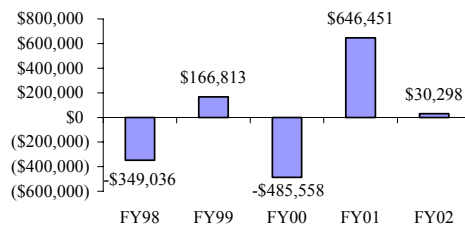
It is important to note that the change in cost is primarily due to the Federal Highway Administration retroactively changing the definition of project cost for prior fiscal years, as a result certain expenses and the associated revenues used to finance these expenses have been added to the project budget and the summary tables presented here.

During FY00, the Commonwealth put in place a new management team for the project that is committed to full, timely disclosure about schedules and costs. The bulk of the spending remaining on the Project will occur during FY02 and FY03. Completion is expected to be during FY06. The east-west portion (Interstate 90) is expected to open in December of 2002, with the northbound portion (Interstate 93) expected to open in January of 2003. The southbound portion (Interstate 93) is expected to partially open in January of 2004. Substantial completion is expected in February 2005, with "finish work" completed in FY06.

Pursuant to statute and agreements with the Massachusetts Turnpike Authority (the MTA) and the Massachusetts Port Authority (MassPort), the entities have committed to significant ongoing contributions to the Commonwealth as part of the financing for this project. These funds are in addition to funds from the Commonwealth and federal funds for the project.

The graph Capital Projects Funds – Fund Balance (Deficit) shows the combined fund balance in Capital Projects Funds for the past five years. The graph shows a surplus in the funds in FY02. However, the majority of these funds remain in deficit due to the timing differences between bonding and expenditure.

**Capital Projects Funds –**  
**Fund Balance (Deficit)**  
**(Amounts in Thousands)**



The Capital Projects Funds – Operations table on the next page, includes the FY02 Capital Projects Funds, summarized and compared to FY01. Financial statements for each of the individual funds are included in the financial section of this report.

The Administration has implemented a coordinated fiscal strategy for the management of Capital Projects Funds. This strategy includes a five-year capital budget linked to debt management and cash management. The focus of this strategy is to manage capital spending and outstanding debt to levels the Administration considers appropriate for the Commonwealth. An important part of the strategy is to control capital spending within an annual administrative "cap." As additional capital outlays have been enacted and significant projects such as the CA/T have been authorized, it becomes more challenging to restrain spending to such limits. Strategies to manage this situation, such as alternative financing for capital projects, should continue.

**Capital Projects Funds - Operations**  
(Amounts in thousands)

	2001	2002
Beginning fund balance (deficit).....	\$ (485,558)	\$ 646,451
Revenues and other sources:		
Federal grants and reimbursements.....	1,035	339
Departmental and miscellaneous.....	64,262	54,671
Payment from Authorities.....	265,000	-
General and special obligation financing.....	1,911,676	1,357,960
Proceeds of refunding bonds.....	998,729	1,501,415
Transfers from budgetary surplus.....	34,462	-
Transfer for Federal Reimbursements.....	458,659	495,551
Transfer in due to debt defeasance .....	624,589	34,590
Transfers and other sources.....	1,166,878	292,661
Total revenues and other sources.....	5,525,290	3,737,187
Expenditures and other uses:		
Acquisition of assets.....	2,663,464	2,696,159
Payments to refunded bond escrow.....	998,729	1,276,562
Transfers and other uses.....	731,088	380,619
Total expenditures and other uses.....	4,393,281	4,353,340
Excess (deficiency) of revenues and other sources over expenditures and uses.....	1,132,009	(616,153)
Ending fund balance (deficit).....	\$ 646,451	\$ 30,298

***The Fiduciary Funds (Excluding Agency Funds)***

The Fiduciary Funds record the Commonwealth's responsibility for assets it controls on behalf of other parties. Examples of such funds are the Unemployment Compensation and Pension Trust Funds. The table on the following page, which excludes assets held on a purely custodial capacity in so-called Agency Funds, summarizes the FY02 activity of the Fiduciary Funds. Over 92% of this Fiduciary Fund activity is related to the Commonwealth's Pension Fund detailed in fund statements found in this report.

The \$2.8 billion operating loss in this fund group is attributable to two factors:

- The loss in value of pension assets due to stock market declines, and
- Payment to the unemployed in the Commonwealth exceed employee contributions to the Unemployment Compensation Trust Fund by over \$850 million.

The Commonwealth is in the process of updating its pension valuation. The valuation is based on data as of January 1, 2002. Details of this valuation are outlined in note 10. While the value of pension assets has dropped since this valuation, the public retirement system remains strong at 81.1% funded. Due to market conditions after June 30, this percentage could be lower.

**Fiduciary Fund - Operations (Excluding Non-Expendable Trusts)**  
**(Amounts in thousands)**

	2001	2002
Beginning fund balance.....	\$ 32,860,778	\$ 30,957,564
Revenues and other sources:		
Taxes.....	894,161	862,033
Federal reimbursements.....	41,253	395,390
Departmental and other revenues.....	1,701,987	1,624,018
Interfund transfers and other sources.....	24,649	29,740
Unrealized and realized investment earnings / (losses).....	(1,819,686)	(1,658,292)
Total revenues and sources.....	842,364	1,252,889
Expenditures and other uses:		
Expenditures.....	2,653,885	4,031,260
Interfund transfers.....	91,693	95,673
Total expenditures and uses.....	2,745,578	4,126,933
Excess (deficiency) of revenues and sources over expenditures and uses.....	(1,903,214)	(2,874,044)
Ending fund balance.....	\$ 30,957,564	\$ 28,083,520

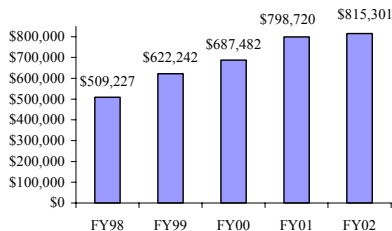
***The Non-Appropriated Funds of Higher Education***

The SBFR includes the financial operations of the non-appropriated funds of the 25 Institutions of Higher Education in the statistical section of this report. Over the past few years, significant efforts have been taken by our office and the institutions to improve the accuracy and timeliness of this Higher Education segment of the financial report. Each Institution of Higher Education is authorized and directed in its enabling statute to collect, retain and expend certain fees, rents, sales, donations, federal financial participation and other types of revenue through campus based systems. These financial resources are integral parts of the total financial activity of each campus. They also represent resources in addition to amounts made available from Commonwealth appropriations.

**Non-Appropriated Funds Of Higher Education - Operations**  
(Amounts in thousands)

	2001	2002
Beginning fund balance.....	\$ 687,482	\$ 789,720
Revenues and other sources:		
Federal Grants and reimbursements.....	235,733	273,617
Departmental and miscellaneous.....	900,245	952,590
Transfers and other sources .....	402,061	384,434
Total revenues and other sources.....	1,538,039	1,610,641
Expenditures and other uses:		
Programs and services.....	1,032,347	1,144,925
Transfers and other uses.....	403,454	440,135
Total expenditures and uses.....	1,435,801	1,585,060
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	102,238	25,581
Ending fund balance.....	<u>\$ 789,720</u>	<u>\$ 815,301</u>

***Non-Appropriated Funds of Higher Education – Fund Balance***  
(Amounts in Thousands)



The Non-Appropriated Funds for Higher Education – Operations table includes the FY02 funds, summarized and compared to FY01. Financial statements for each of the individual funds are included in the statistical section of this report. The graph Non-Appropriated Funds for Higher Education – Fund Balance shows the combined fund balance for the past five years. The combined balance represents \$641 million for the University of Massachusetts, \$93 million for the State College system and \$81 million for the Community Colleges. These balances are designated for specific purposes, such as restrictions on endowments or other specialized purposes specified by the funding contributions.

## ***Conclusions And Recommendations***

The Commonwealth has many accomplishments in FY02 of which it can be proud.

The Office of the Comptroller has undertaken a major effort to build a more collaborative working relationship among members of this office and Chief Fiscal Officers (CFO) of the Commonwealth in a program we call "PARTNERS in Financial Management". The second CFO conference brought together CFOs from across the Commonwealth for two days of meetings. PARTNERS stands for people, accountability, responsibility, trust, negotiation, efficiency, risk assessment and mitigation, and solutions. We have enhanced the mantra that all systems, big and small, depend on people who are integral to those systems. This recognizes that fiscal officers of the Commonwealth are all accountable for their actions, ensuring the uncompromising integrity of the financial statements of the Commonwealth. We must maintain this standard to maintain the public trust. The Office of the Comptroller continued to increase delegation this year to individual departments due to the level of trust that we have with them, based on prior results. We must continually strive to balance accountability with efficiency, especially in order to continually serve the Citizens of the Commonwealth, our customers. This balancing also targets controls to result in effective risk mitigation. Finally, we strive to find solutions to many of the Commonwealth's problems in conjunction with the rest of the CFOs, so that full input is heard.

This December when we release the Commonwealth's Comprehensive annual financial report, it will take on a new look and feel. With the implementation of GASB Statement 34 the Commonwealth's financial statements will include a more comprehensive view of the financial condition accruing all long-term assets and liabilities on the balance sheet including Commonwealth infrastructure. Underlying the change to this document was an extensive statewide project to:

- value Commonwealth infrastructure at historical cost;
- redesign underlying financial systems; and,
- work with the 25 institutions of Higher Education and 30 public authorities to make changes to their financial systems. This is so that their financial statements, which the Commonwealth must rely on, are also compliant with GASB Statement 34.

This was a huge undertaking. It was conducted with little or no additional funding and has been highly successful.

Last year, the Commonwealth started the process of consolidating its web sites to better serve the Citizens of the Commonwealth. With service to our customers as key, the Commonwealth's new web portal "Mass.Gov" promises to bring government closer to the people. Mass.Gov is customer-focused. It provides services according to the needs of citizens and businesses, not according to government structure. Citizens are able to quickly find the information and services they need without having to navigate the bureaucracy of government. Mass.Gov provides comprehensive, integrated, and seamless services that our

Citizens will be able to bring into their homes or businesses at their convenience, twenty-four hours a day, seven days a week. The Office of the Comptroller contributed to joint projects with ITD to build internet based shared services for use by all internet based applications. In addition we continued to roll out new technology with real benefits to state department and taxpayers. This year we released an internet based front end to the Billing and Accounts Receivable System allowing institutions of Higher Education to provide information regarding non performing receivables to the Comptroller for potential intercept against commonwealth payments or tax refunds. This technology was developed so that any government entity authorized in statute could take advantage of this tool. In addition we piloted new financial software simplifying the vendor registration process, reducing administrative workloads in departments and reducing the time from contract registration to completed vendor registration.

In May of 2002, the Legislature enacted Information Technology Bond III, authorizing \$300 million for the Commonwealth to upgrade its technology infrastructure. Included in this legislation is funding for the Commonwealth to upgrade the statewide financial system from 1980's, MMARS to a state of the art internet-based financial system. Last month, the Office of the Comptroller and the Information Technology Division entered into a joint project with American Management Systems, (AMS), of Fairfax Virginia, to upgrade this key financial system. The new system is slated to be completed in time for the opening of FY05. This project will focus on changing business practices in order to minimize customization to this product. This strategy will insure the Commonwealth can upgrade to current releases in the future at a reasonable cost. The goal is to keep current with technology in the future and at the same time control the total cost of system ownership. Benefits will accrue directly to the users of the financial system. In addition, this updated technology will allow for the future integration of Commonwealth internet-based applications into "back office" financial systems. The Comptroller, the Information Technology Division and AMS have assigned a highly motivated, highly dedicated team to this project to insure its success.

Building upon the observations of this letter, a detailed review of these financial statements suggests the need for action to further improve and strengthen state finance law and fiscal practice.

**The Commonwealth must constantly monitor and update its systems and controls.** Upon taking office in January of 1999, I began a multi-year effort to expand awareness of and the quality of internal controls throughout the Commonwealth. We have asked each department, at its highest levels, to assess its risks and target controls to manage those risks efficiently and effectively. Toward this end, the Office of the Comptroller, in conjunction with the Office of the State Auditor, has continued a multi-pronged effort to improve controls throughout the Commonwealth. This effort must continue.

**The Commonwealth should adopt a more straightforward definition of fiscal balance including all of the budgeted funds.** The idiosyncratic definition of fiscal balance that includes a portion of fund balance within three of the budgeted funds should be expanded to include all 54 funds.

***Minor Budgeted Funds with Deficits  
(Amounts in Thousands)***

Environmental Funds:		
Environmental Challenge Fund.....	\$	(797)
Toxics Use Reduction Fund.....		(8,416)
Environmental Permitting and Compliance Assurance Fund.....		(50,872)
Underground Storage Tank Petroleum Product Cleanup Fund.....		(19,360)
Environmental Law Enforcement Fund.....		(4,482)
Public Access Fund.....		(414)
Harbors and Inland Waters Maintenance Fund.....		(6,244)
Marine Fisheries Fund.....		(6,498)
Watershed Management Fund.....		(2,104)
Low-Level Radioactive Waste Management Fund.....		(433)
Clean Air Act Compliance Fund.....		(1,700)
Second Century Fund.....		(2,819)
Leo J. Martin Recreational Fund.....		(240)
Subtotal Environmental Fund Group.....	\$	(104,379)
Children's and Seniors' Health Care Assistance Fund.....		(60,784)
Transitional Aid to Needy Families Fund.....		(7,618)
Child Support Penalty Fee Fund.....		(498)
Social Services Program Fund.....		(2,314)
Antitrust Enforcement Fund.....		(2,901)
Victim and Witness Assistance Fund.....		(13,323)
Intercity Bus Capital Assistance Fund.....		(5,562)
Local Consumer Inspection Fund.....		(574)
Subtotal Budgeted Other.....		(93,574)
Total Minor Budgeted Funds with Deficits .....	\$	(197,953)

**The Commonwealth should reduce the number of funds and eliminate funds that have chronic deficits.** The Commonwealth currently maintains over 122 individual funds to record its financial activity. This excessive number of funds fragments the Commonwealth's financial picture. Many of these funds have structural imbalances leading to chronic deficits. The effort to reduce the number of funds should continue. A fund should be a self balancing set of accounts where decision makers want to set aside a specific set of revenues to fund a specific set of activities. Nineteen of the 54 budgeted funds are in the environmental fund group. Thirteen of these nineteen funds contribute to accumulated deficits of \$104.4 million in this fund group. The revenues and expenditures in these funds should be brought into alignment either through increased fees and assessments or decreases in appropriation, otherwise we should acknowledge that these services are to be funded from general tax revenues and consolidate this activity into the general fund. The table, Minor Budgeted Funds with Deficits identifies funds with significant deficits that remained unfunded or continued to grow during FY02 or where no plan exists to bring them into balance. The structure of these funds should be changed to balance revenues with expenses or the funds should be eliminated and their activity consolidated into the General Fund.

**The Commonwealth should continue to emphasize optimization of both tax and non-tax revenues.** This statewide campaign has generated over \$253 million in revenues since FY96. The revenue optimization strategy should continue.

I again would like to express my thanks to the many dedicated people within the Office of the State Comptroller. We have had another successful year within the office. Our office has undertaken many tasks this year. We are embarking on the redesign of the state accounting system, MMARS. This will be a significant effort but will provide enduring benefits to the Commonwealth. I am proud to have all the employees of the Comptroller's Office on my team to help tackle these and other difficult issues of the future.

Respectfully submitted,

Martin J. Benison  
Comptroller of the Commonwealth



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## **CONSTITUTIONAL OFFICERS**

Jane M. Swift  
*Acting Governor*

William F. Galvin  
*Secretary of State*

Thomas F. Reilly  
*Attorney General*

Shannon P. O'Brien  
*Treasurer and Receiver-General*

A. Joseph DeNucci  
*Auditor*

## **LEGISLATIVE OFFICERS**

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*President of the Senate*

Thomas M. Finneran  
*Speaker of the House*

## **JUDICIAL OFFICERS**

Margaret H. Marshall  
*Chief Justice, Supreme Judicial Court*

Joseph P. Warner  
*Chief Justice, Appeals Court*

Barbara A. Dortch-Okara  
*Chief Justice for Administration and Management, Trial Court*

**“We would like to thank the many dedicated people who helped prepare this report”**

**REPORT PREPARED BY:**

Eric S. Berman, CPA  
*Deputy Comptroller*

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Bhavdeep J. Trivedi  
*Director*

John Haran, CPA, CGFM  
*Accountant*

Pauline Lieu, CPA, CGFM  
*Accountant*

Neil Gouse, CGFM  
*Accountant*

Baheja Azizi  
*Systems Analyst*

Cathy DiGianni  
*Administrative Secretary*

James Powers, CPA  
*Special Projects*

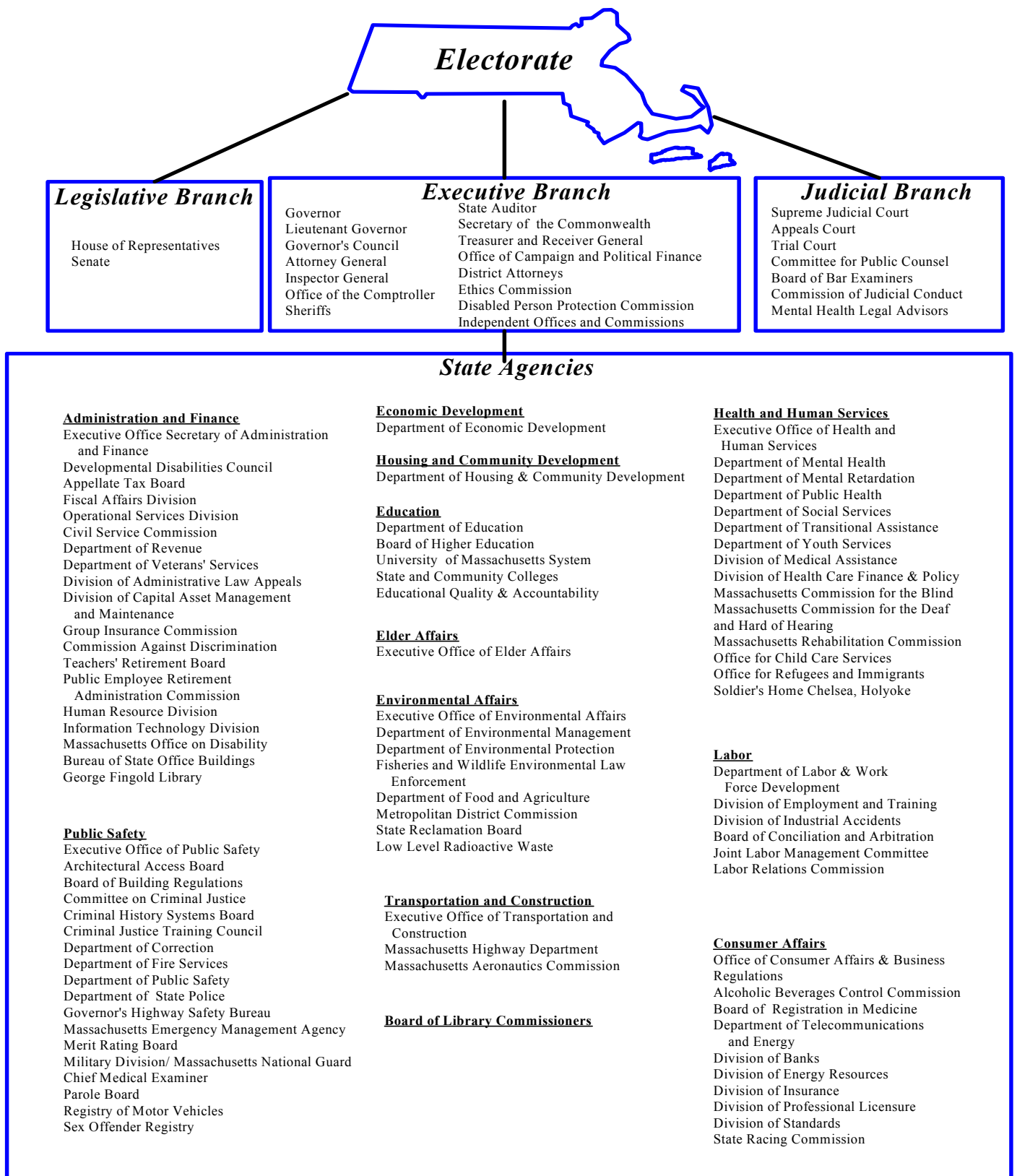
**General Accounting Bureau**

Kathleen Still, CGFM  
*Director*

**Capital Accounting Bureau**

Marybeth Shaughnessy-Newell, CPA  
*Director*

Lauren Johnson  
*Art Direction*  
*Director Resource Management*



## **ADVISORY BOARD TO THE COMPTROLLER**

Kevin J. Sullivan (Chair)  
*Secretary for Administration and Finance*

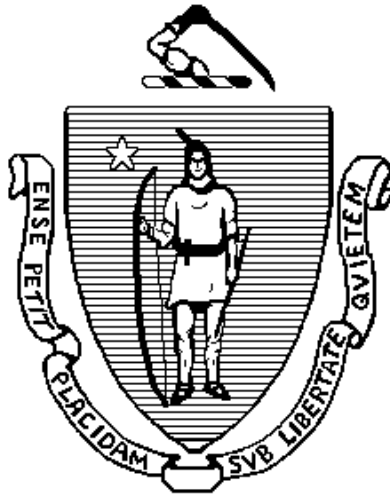
A. Joseph DeNucci  
*Auditor*

Shannon P. O'Brien  
*Treasurer and Receiver-General*

Barbara A. Dortch-Okara  
*Chief Justice for Administration and Management, Trial Court*

Thomas F. Reilly  
*Attorney General*

# *Financial Section*



Independent Auditor's Report  
Combined Financial Statements – Statutory Basis  
Combining and Individual Fund Financial Statements – Statutory Basis



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## INDEPENDENT AUDITORS' REPORT

Mr. Martin Benison, Comptroller  
The Commonwealth of Massachusetts:

We have audited the accompanying combined financial statements – statutory basis of the Commonwealth of Massachusetts as of June 30, 2002, and for the year then ended, listed in the foregoing table of contents. These combined financial statements – statutory basis are the responsibility of the management of the Commonwealth of Massachusetts. Our responsibility is to express an opinion on these combined financial statements – statutory basis based on our audit. We did not audit the financial statements of the Pension Reserves Investment Trust, which is the investment vehicle of the Commonwealth of Massachusetts' Pension Trust Funds, the financial statements of which represent 86.1 percent of the assets and –90.2 percent of the revenues of the Fiduciary Fund Type, or the Health Care Security Trust, the financial statements of which represent 36.7 percent of the assets and 3.3 percent of the revenues of the Special Revenue Non-Budgeted Fund Type. Those financial statements were audited by another auditor whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Reserve Investment Trust and the Health Care Security Trust, is based solely on the reports of the other auditor.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements – statutory basis are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements – statutory basis. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement – statutory basis presentation. We believe that our audit and the report of the other auditor provide a reasonable basis for our opinion.

As described in Note 2 to the combined financial statements – statutory basis, the Commonwealth of Massachusetts prepares its combined financial statements – statutory basis on a prescribed basis of accounting that demonstrates compliance with General Laws and budgetary principles and funds of the Commonwealth of Massachusetts which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, based on our audit and the report of another auditor, such combined financial statements – statutory basis referred to above present fairly, in all material respects, the financial position of the Commonwealth of Massachusetts, as of June 30, 2002, and the results of its operations for the year then ended, on the basis of accounting described in Note 2.

Our audit was conducted for the purpose of forming an opinion on the combined financial statements – statutory basis taken as a whole. The combining and individual fund statements – statutory basis and supplemental information listed in the foregoing table of contents, are

presented for the purpose of additional analysis and are not a required part of the combined financial statements – statutory basis of the Commonwealth of Massachusetts. These financial statements and schedules are also the responsibility of the management of the Commonwealth of Massachusetts. Such additional information has been subjected to the auditing procedures applied in our audit of the combined financial statements – statutory basis and, in our opinion, based on our audit and the report of the other auditor, is fairly stated in all material respects when considered in relation to the combined financial statements – statutory basis taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report, and accordingly, we express no opinion on such data.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2002, on our consideration of the Commonwealth of Massachusetts' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the use of elected and appointed officials of the Commonwealth of Massachusetts and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

October 25, 2002

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# *Combined Financial Statements - Statutory Basis*

**All Fund Types And Account Groups**  
**Combined Balance Sheet - Statutory Basis**

June 30, 2002 and 2001  
(Amounts in thousands)

	Governmental Fund Types		
	Budgeted	Non-Budgeted Special Revenue	Capital Projects
<b>ASSETS AND OTHER DEBITS</b>			
Cash and short-term investments.....	\$ 3,509,267	\$ 424,298	\$ 1,254,712
Cash on deposit with U.S. Treasury.....	-	-	-
Cash with fiscal agent.....	27,171	79,664	236,498
Investments.....	-	481,410	-
Assets held in trust.....	-	-	-
Receivables, net of allowance for uncollectibles:			
Taxes.....	-	-	-
Due from federal government.....	231,753	384,336	-
Other receivables.....	18,010	63,965	-
Due from cities and towns.....	4,135	-	-
Due from other funds.....	63	-	66,936
Fixed assets:			
Land.....	-	-	-
Buildings.....	-	-	-
Machinery and equipment.....	-	-	-
Construction in progress.....	-	-	-
Amount available for retirement of long-term obligations.....	-	-	-
Amount to be provided for retirement of long-term obligations.....	-	-	-
Other assets.....	-	-	-
Total assets and other debits.....	<u>\$ 3,790,399</u>	<u>\$ 1,433,673</u>	<u>\$ 1,558,146</u>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>			
Liabilities:			
Deficiency in cash and short-term investments.....	\$ 1,381,493	\$ 77,225	\$ 601,926
Accounts payable.....	883,467	426,256	393,017
Accrued payroll.....	137,455	7,097	2,905
Agency liabilities.....	-	-	-
Due to federal government.....	-	-	-
Unearned federal revenue.....	-	-	-
Due to cities and towns.....	-	-	-
Due to other funds.....	-	66,999	-
Capital leases.....	-	-	-
Bonds and notes payable.....	-	-	530,000
Bonds refunded but not defeased.....	-	-	-
Total liabilities.....	<u>2,402,415</u>	<u>577,577</u>	<u>1,527,848</u>
Fund equity and other credits:			
Investment in general fixed assets.....	-	-	-
Fund balances (deficit):			
Reserved for:			
Continuing appropriations.....	168,002	-	-
Commonwealth stabilization.....	881,771	-	-
Tax reduction.....	-	-	-
Transitional escrow.....	-	-	-
Debt service.....	27,171	79,664	236,498
Employees' pension benefits.....	-	-	-
Unemployment benefits.....	-	-	-
Capital projects.....	-	7,465	1,036,479
Unreserved:			
Designated for specific purpose.....	-	768,967	26,572
Undesignated.....	311,040	-	(1,269,251)
Total fund equity (deficit) and other credits.....	<u>1,387,984</u>	<u>856,096</u>	<u>30,298</u>
Total liabilities fund equity and other credits.....	<u>\$ 3,790,399</u>	<u>\$ 1,433,673</u>	<u>\$ 1,558,146</u>

See notes to combined financial statements - statutory basis.

Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
	General	General	2002	2001
	Fixed Assets	Long-term Obligations		
Trust and Agency				
\$ 1,471,291	\$ -	\$ -	\$ 6,659,568	\$ 8,319,792
1,427,582	-	-	1,427,582	2,171,193
-	-	-	343,333	109,313
25,868,200	-	-	26,349,610	29,279,535
2,372,583	-	-	2,372,583	2,244,064
-	-	-	-	3,594
-	-	-	616,089	616,886
439,384	-	-	521,359	402,459
-	-	-	4,135	1,830
-	-	-	66,999	77,206
-	701,358	-	701,358	643,489
-	5,399,610	-	5,399,610	4,537,523
-	1,412,367	-	1,412,367	1,365,500
-	135,495	-	135,495	54,701
-	-	343,333	343,333	109,313
-	-	14,794,340	14,794,340	14,065,077
12,982	-	-	12,982	21,456
<u>\$ 31,592,022</u>	<u>\$ 7,648,830</u>	<u>\$ 15,137,673</u>	<u>\$ 61,160,743</u>	<u>\$ 64,022,931</u>
\$ -	\$ -	\$ -	\$ 2,060,644	\$ 1,173,106
883,656	-	-	2,586,396	3,585,987
801	-	-	148,258	142,339
2,583,669	-	-	2,583,669	2,450,748
6	-	-	6	-
-	-	-	-	18,966
34,536	-	-	34,536	32,829
-	-	-	66,999	77,206
-	-	182,538	182,538	174,936
-	-	14,765,060	15,295,060	14,259,454
-	-	190,075	190,075	-
<u>3,502,668</u>	<u>-</u>	<u>15,137,673</u>	<u>23,148,181</u>	<u>21,915,571</u>
-	7,648,830	-	7,648,830	6,601,213
-	-	-	168,002	290,029
-	-	-	881,771	1,714,990
-	-	-	-	33,565
-	-	-	-	579,215
-	-	-	343,333	109,313
26,377,554	-	-	26,377,554	28,508,921
1,427,582	-	-	1,427,582	2,171,253
-	-	-	1,043,944	1,772,839
284,218	-	-	1,079,757	1,077,788
-	-	-	(958,211)	(751,766)
<u>28,089,354</u>	<u>7,648,830</u>	<u>-</u>	<u>38,012,562</u>	<u>42,107,360</u>
<u>\$ 31,592,022</u>	<u>\$ 7,648,830</u>	<u>\$ 15,137,673</u>	<u>\$ 61,160,743</u>	<u>\$ 64,022,931</u>

**All Governmental Fund Types And Expendable Trust Funds**  
**Combined Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis**

Fiscal Years Ended June 30, 2002 and 2001  
(Amounts in thousands)

	Governmental Fund Types		
	Budgeted	Non-Budgeted Special Revenue	Capital Projects
<b>REVENUES AND OTHER FINANCING SOURCES</b>			
Revenues:			
Taxes.....	\$ 13,622,710	\$ 718,621	\$ -
Assessments.....	129,354	452,510	-
Federal grants and reimbursements.....	4,334,934	2,496,932	339
Tobacco settlement revenue.....	-	304,518	-
Departmental.....	1,205,629	5,015,777	2,084
Payments from authorities.....	-	-	-
Miscellaneous.....	265,492	26,194	52,587
Total revenues.....	19,558,119	9,014,552	55,010
Other financing sources:			
Proceeds of general and special obligation bonds.....	-	-	1,357,960
Proceeds of grant anticipation notes.....	-	-	-
Proceeds of refunding bonds.....	-	-	1,501,415
Fringe benefit cost recovery.....	161,524	-	-
Lottery reimbursements.....	87,341	-	-
Lottery distributions.....	871,136	-	-
Sewer rate relief.....	-	58,655	-
Caseload increase mitigation transfer.....	4,878	-	-
Surplus transfer for capital projects.....	-	-	-
Transfer in due to debt defeasance.....	-	-	34,590
Tobacco settlement transfer.....	154,728	-	-
Operating transfers in.....	515,531	375,838	124,066
Transfer from (to) transitional escrow.....	579,215	-	-
Stabilization transfer.....	1,030,000	-	-
Capital projects funds year end transfer.....	51,369	-	-
Federal reimbursement transfer in.....	1,902	-	495,551
Transfer for tax reduction.....	33,605	-	-
State share of federal highway construction.....	-	-	168,595
Other sources.....	-	-	-
Total other financing sources.....	3,491,229	434,493	3,682,177
Total revenues and other financing sources.....	23,049,348	9,449,045	3,737,187
<b>EXPENDITURES AND OTHER FINANCING USES</b>			
Expenditures:			
Legislature.....	58,909	-	433
Judiciary.....	580,057	3,664	4,878
Inspector General.....	1,973	-	116
Governor and Lieutenant Governor.....	5,542	-	-
Secretary of the Commonwealth.....	34,693	1,005	5,631
Treasurer and Receiver-General.....	119,114	4,263,284	12,637
Auditor of the Commonwealth.....	15,347	-	1,111
Attorney General.....	35,674	9,592	2,079
Ethics Commission.....	1,411	-	94
District Attorney.....	81,056	3,651	2,995
Office of Campaign & Political Finance.....	1,440	-	102
Sheriff's Departments.....	211,973	3,606	1,877
Disabled Persons Protection Commission.....	1,708	58	224
Board of Library Commissioners.....	6,984	3,285	20,510
Comptroller.....	8,410	-	2,959
Administration and finance.....	1,344,343	75,127	378,476
Environmental affairs.....	221,717	40,479	177,693
Communities and development.....	116,790	309,584	102,426
Health and human services.....	4,312,159	1,535,799	17,138
Transportation and construction.....	145,917	16,840	1,878,633
Education.....	412,846	626,177	9,679
Higher education.....	1,029,516	8,191	46,917
Public safety.....	917,982	76,053	25,884
Economic development.....	34,008	644	1,668
Elder affairs.....	273,759	30,333	-

Fiduciary Fund Type		Totals (Memorandum Only)	
Expendable Trust	2002	2001	
\$ 862,033	\$ 15,203,364	\$ 17,647,021	
84	581,948	585,499	
395,390	7,227,595	6,158,750	
-	304,518	242,470	
32,128	6,255,618	5,759,788	
-	-	265,000	
300,335	644,608	746,320	
1,589,970	30,217,651	31,404,848	
-	1,357,960	1,911,676	
-	-	600,009	
-	1,501,415	998,729	
-	161,524	196,238	
-	87,341	85,646	
-	871,136	862,132	
-	58,655	53,914	
-	4,878	2,021	
-	-	34,462	
-	34,590	624,589	
-	154,728	81,506	
28,809	1,044,244	1,204,277	
-	579,215	579,215	
-	1,030,000	51,693	
-	51,369	-	
-	497,453	460,376	
-	33,605	25,930	
-	168,595	649,527	
931	931	400	
29,740	7,637,639	8,422,340	
1,619,710	37,855,290	39,827,188	
-	59,342	57,503	
151	588,750	604,528	
-	2,089	3,023	
-	5,542	5,981	
14	41,343	49,948	
-	4,395,035	4,132,479	
308	16,766	16,276	
1,907	49,252	44,826	
-	1,505	1,542	
4,268	91,970	89,360	
-	1,542	1,579	
-	217,456	203,319	
-	1,990	1,698	
-	30,779	30,171	
-	11,369	10,514	
8,210	1,806,156	1,641,349	
10,635	450,524	440,898	
22,586	551,386	546,786	
22,959	5,888,055	5,441,691	
546	2,041,936	2,169,066	
4,527	1,053,229	939,189	
8,974	1,093,598	1,144,593	
3,500	1,023,419	998,233	
865	37,185	53,726	
83	304,175	241,044	

**All Governmental Fund Types And Expendable Trust Funds**  
**Combined Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis**

Fiscal Years Ended June 30, 2002 and 2001  
(Amounts in thousands)

	Governmental Fund Types		
	Budgeted	Non-Budgeted Special Revenue	Capital Projects
Expenditures (continued):			
Consumer affairs.....	46,872	9,838	1,044
Labor.....	59,319	176,225	955
Direct local aid.....	5,189,116	5,979	-
Medicaid.....	5,259,275	-	-
Pension.....	795,782	-	-
Debt service:			
Principal retirement.....	692,001	339	-
Interest and fiscal charges.....	612,734	77,074	-
Total expenditures.....	22,628,427	7,276,827	2,696,159
Other financing uses:			
Payments to refunded bond escrow agent.....	-	-	1,276,562
Fringe benefit cost assessment.....	53,267	37,601	15,693
Lottery operating reimbursements.....	-	87,341	-
Lottery distributions.....	-	871,136	-
Federal reimbursement transfer out.....	-	497,453	-
State share of federal highway construction.....	-	-	168,595
Tobacco settlement transfer.....	-	154,728	-
Operating transfers out.....	252,049	550,839	144,962
Sewer rate relief.....	58,655	-	-
Caseload increase mitigation transfer.....	4,878	-	-
Surplus transfer for capital projects.....	-	-	-
Stabilization transfer.....	1,030,000	-	-
Capital projects funds year end transfer.....	-	-	51,369
Transfer for transitional escrow.....	579,215	-	-
Transfer for capital projects due to debt defeasance.....	34,590	-	-
Transfer for tax reduction.....	33,605	-	-
Total other financing uses.....	2,046,259	2,199,098	1,657,181
Total expenditures and other financing uses.....	24,674,686	9,475,925	4,353,340
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(1,625,338)	(26,880)	(616,153)
Fund balances (deficits) at beginning of year.....	3,013,322	882,976	646,451
Fund balances at end of year.....	\$ 1,387,984	\$ 856,096	\$ 30,298

See notes to combined financial statements - statutory basis.

Fiduciary Fund Type	Totals (Memorandum Only)	
Expendable Trust	2002	2001
5,863	63,617	73,589
2,171,318	2,407,817	1,181,394
-	5,195,095	4,977,251
-	5,259,275	4,642,342
-	795,782	1,040,121
-	692,340	128,426
-	689,808	629,437
2,266,714	34,868,127	31,541,882
-	1,276,562	1,648,766
4,106	110,667	139,862
-	87,341	85,646
-	871,136	862,132
-	497,453	460,376
-	168,595	649,527
-	154,728	81,506
91,567	1,039,417	1,202,462
-	58,655	53,914
-	4,878	2,021
-	-	34,462
-	1,030,000	51,693
-	51,369	-
-	579,215	579,215
-	34,590	624,589
-	33,605	25,930
95,673	5,998,211	6,502,101
2,362,387	40,866,338	38,043,983
(742,677)	(3,011,048)	1,783,205
2,448,643	6,991,392	5,208,187
\$ 1,705,966	\$ 3,980,344	\$ 6,991,392

## Budgeted Funds

### Combined Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis - Budget and Actual

Fiscal Year Ended June 30, 2002

(Amounts in thousands)

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES AND OTHER FINANCING SOURCES</b>			
Revenues:			
Taxes.....	\$ 14,930,100	\$ 13,622,710	\$ (1,307,390)
Assessments.....	2,700	129,354	126,654
Federal grants and reimbursements.....	4,126,300	4,334,934	208,634
Departmental.....	1,422,389	1,205,629	(216,760)
Miscellaneous.....	92,483	265,492	173,009
Total revenues.....	20,573,972	19,558,119	(1,015,853)
Other financing sources:			
Fringe benefit cost recovery.....	-	161,524	161,524
Lottery reimbursements.....	87,341	87,341	-
Lottery distributions.....	857,700	871,136	13,436
Caseload increase mitigation transfer.....	-	4,878	4,878
Tobacco settlement transfer.....	154,728	154,728	-
Operating transfers in.....	221,911	515,531	293,620
Transfer from transitional escrow.....	-	579,215	579,215
Stabilization transfer.....	-	1,030,000	1,030,000
Capital projects funds year end transfer.....	-	51,369	51,369
Federal reimbursement transfer in.....	-	1,902	1,902
Transfer for tax reduction.....	-	33,605	33,605
Total other financing sources.....	1,321,680	3,491,229	2,169,549
Total revenues and other financing sources.....	21,895,652	23,049,348	1,153,696
<b>EXPENDITURES AND OTHER FINANCING USES</b>			
Expenditures:			
Legislature.....	72,850	58,909	13,941
Judiciary.....	587,686	580,057	7,629
Inspector General.....	1,975	1,973	2
Governor and Lieutenant Governor.....	5,655	5,542	113
Secretary of the Commonwealth.....	35,028	34,693	335
Treasurer and Receiver-General.....	121,024	119,114	1,910
Auditor of the Commonwealth.....	15,351	15,347	4
Attorney General.....	36,335	35,674	661
Ethics Commission.....	1,412	1,411	1
District Attorney.....	81,253	81,056	197
Office of Campaign & Political Finance.....	1,088	1,440	(352)
Sheriff's Departments.....	215,292	211,973	3,319
Disabled Persons Protection Commission.....	1,714	1,708	6
Board of Library Commissioners.....	7,270	6,984	286
Comptroller.....	8,415	8,410	5
Administration and finance.....	1,386,683	1,344,343	42,340
Environmental affairs.....	234,966	221,717	13,249
Communities and development.....	123,018	116,790	6,228
Health and human services.....	4,403,293	4,312,159	91,134
Transportation and construction.....	151,990	145,917	6,073
Education.....	462,232	412,846	49,386
Higher education.....	1,039,047	1,029,516	9,531
Public safety.....	945,382	917,982	27,400
Economic development.....	46,241	34,008	12,233
Elder affairs.....	291,729	273,759	17,970
Consumer affairs.....	48,552	46,872	1,680
Labor.....	89,750	59,319	30,431
Direct local aid.....	5,193,357	5,189,116	4,241
Medicaid.....	5,282,868	5,259,275	23,593
Pension.....	797,064	795,782	1,282
Debt service:			
Principal retirement.....	710,674	692,001	18,673
Interest and fiscal charges.....	641,017	612,734	28,283
Total expenditures.....	23,040,211	22,628,427	411,784
Other financing uses:			
Fringe benefit cost assessment.....	-	53,267	(53,267)
Operating transfers out.....	252,049	252,049	-
Sewer rate relief.....	58,655	58,655	-
Caseload increase mitigation transfer.....	4,878	4,878	-
Stabilization transfer.....	1,030,000	1,030,000	-
Transfer for transitional escrow.....	579,215	579,215	-
Transfer for capital projects due to debt defeasance.....	34,590	34,590	-
Transfer for tax reduction.....	33,605	33,605	-
Total other financing uses.....	1,992,992	2,046,259	(53,267)
Total expenditures and other financing uses.....	25,033,203	24,674,686	358,517
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(3,137,551)	(1,625,338)	1,512,213
Fund balances (deficit) at beginning of year.....	3,013,322	3,013,322	-
Fund balances (deficits) at end of year.....	\$ (124,229)	\$ 1,387,984	\$ 1,512,213

See notes to combined financial statements - statutory basis.

## Nonexpendable Trust Fund

### Statement Of Revenues, Expenses And Changes In Fund Balances - Statutory Basis

Fiscal Years Ended June 30, 2002 and 2001  
(Amounts in thousands)

	2002	2001
<b>REVENUES</b>		
Revenues:		
Investment earnings.....	\$ -	\$ -
Total revenues.....	-	-
<b>EXPENSES</b>		
Expenses:		
Treasurer and Receiver-General.....	-	-
Total expenses.....	-	-
Excess (deficiency) of revenues over expenses.....	-	-
Fund balances at beginning of year.....	5,834	5,834
Fund balances at end of year.....	\$ 5,834	\$ 5,834

See notes to combined financial statements - statutory basis.

## Pension Trust Funds

### Combined Statements of Changes in Net Assets Available for Pension Benefits - Statutory Basis

Fiscal Years Ended June 30, 2002 and 2001  
(Amounts in thousands)

	2002	2001
Additions:		
Contributions:		
Commonwealth contributions.....	\$ 736,086	\$ 979,414
Employees contributions.....	855,720	703,241
Total contributions.....	1,591,806	1,682,655
Net investment (loss) income:		
Net appreciation (depreciation) in fair value of investments.....	(2,749,964)	(3,004,407)
Interest.....	481,033	561,571
Dividends.....	224,653	220,723
Real estate operating income, net.....	135,768	128,164
Alternative investments.....	7,092	5,482
Other.....	10,427	8,632
Total investment (loss) income.....	(1,890,991)	(2,079,835)
Less: investment expense.....	67,636	72,496
Net investment (loss) income.....	(1,958,627)	(2,152,331)
Total additions.....	(366,821)	(469,676)
Deductions:		
Administration reimbursement.....	13,285	12,601
Retirement benefits and refunds.....	1,751,261	1,550,706
Total deductions.....	1,764,546	1,563,307
Net (decrease) increase .....	(2,131,367)	(2,032,983)
Net assets available for pension benefits at beginning of year (fund balances reserved for employees' pension benefits).....	28,508,921	30,541,904
Net assets available for pension benefits at end of year (fund balances reserved for employees' pension benefits).....	\$ 26,377,554	\$ 28,508,921

See notes to combined financial statements - statutory basis.

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**1. FINANCIAL STATEMENT PRESENTATION**

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**A. Introduction**

The accompanying combined financial statements (Statutory Basis Financial Report) of the Commonwealth of Massachusetts (the Commonwealth) are presented in accordance with the requirements of Section 12 of Chapter 7A as amended by Section 4 of Chapter 88 of the Acts of 1997 of the Massachusetts General Laws. The Office of the Comptroller also publishes the Commonwealth's Comprehensive Annual Financial Report (CAFR) which is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for governments. GAAP is prescribed by the Governmental Accounting Standards Board (GASB), the authoritative standard-setting body for establishing governmental accounting and financial reporting principles.

The Statutory Basis Financial Report (SBFR) includes all the budgeted and non-budgeted funds and account groups of the Commonwealth, as recorded by the Office of the Comptroller in compliance with Massachusetts General Laws and in accordance with the Commonwealth's budgetary principles.

The Statutory Basis Financial Report's General Purpose Financial Statements are not intended to include independent authorities, non-appropriated funds of higher education or other organizations included in the Commonwealth's reporting entity as it would be defined under GAAP.

**B. Statutory Basis**

The Commonwealth reports its statutory basis financial position and results of operations in funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures/expenses. Transactions between funds within a fund type, if any, have not been eliminated.

Account groups are accounting entities used to provide accountability for the Commonwealth's general fixed assets and long-term obligations. They are not considered funds because they do not report expendable available financial resources and related liabilities.

**C. Governmental Fund Types**

The Fund types and account groups are organized as follows:

Governmental Fund Types account for the general governmental activities of the Commonwealth.

*Budgeted Funds* – are the primary operating funds of the Commonwealth. They account for all budgeted governmental transactions. Major budgeted funds include the General, Highway and Local Aid funds which are identified by the Comptroller as the operating funds of the Commonwealth.

*Non-Budgeted Special Revenue Funds* – are established by law to account for specific revenue sources that have been segregated from the budgeted funds to support specific governmental activities such as federal grants, funds related to the tobacco settlement and the operations of the state lottery.

*Capital Projects Funds* – account for financial resources used to acquire or construct major capital assets and to finance local capital projects. These

resources are derived from proceeds of bonds and other obligations, which are generally received after related expenditures have incurred, operating transfers authorized by the Legislature and from federal reimbursements. Deficit balances in Capital Projects Funds represent amounts to be financed.

#### **D. *Fiduciary Fund Types***

Fiduciary Funds account for assets held by the Commonwealth in a trustee capacity (Trust Funds), or as an agent (Agency Funds) for individuals, private organizations, other governmental units, and/or other funds.

*Expendable Trust Funds* – account for trusts whose principal and investment income may be expended for a designated purpose.

*Nonexpendable Trust Funds* – account for trusts whose principal cannot be spent.

*Pension Trust Funds* – account for the net assets available for plan benefits held in trust for the State Employees' and Teachers' Retirement Systems.

*Agency Funds* – account for assets the Commonwealth holds on behalf of others. Agency Funds are custodial in nature and do not involve measurement of operations.

#### **E. *Account Groups***

Account Groups establish control and accountability over the Commonwealth's general fixed assets and long-term obligations.

*General Fixed Assets Account Group* – accounts for the general fixed assets of the Commonwealth and capital leases.

*General Long-term Obligations Account Group* – accounts for long-term bonds and notes issued by the Commonwealth and capital leases.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. *Statutory Basis of Accounting***

The Statutory Basis Financial Report is prepared from the Commonwealth's books and records and other official reports which are maintained on the basis of accounting used in the preparation of the Commonwealth's legally adopted annual budget (statutory basis). The statutory basis emphasizes accountability and budgetary control of appropriations. The Statutory Basis Financial Report is not intended to present the Commonwealth's financial condition and results of operations in conformity with GAAP. Under GAAP, the books are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting.

Under the statutory basis of accounting, revenues are generally recognized when cash deposits are received by the Treasury. However, revenues receivable for federal grants and reimbursements are recognized when related expenditures are

incurred. Amounts due from political subdivisions of the Commonwealth are recognized when considered measurable and available. Deeds excise taxes are recognized at the time of collection by the counties and the Commonwealth. Under GAAP, revenues are recognized when they become both measurable and available.

Under the statutory basis of accounting, expenditures are generally recorded when the related cash disbursement occurs. At year-end, payroll is accrued and payables are recognized, to the extent of approved encumbrances, for goods or services received by June 30. Costs incurred under the federally-sponsored Medicaid program, amounts required to settle claims and judgments against the Commonwealth, and certain other liabilities are not recognized until they are encumbered or otherwise processed for payment. Under GAAP, expenditures are recorded in the period in which the related fund liability is incurred.

The Pension Trust Funds are reported using a flow of economic resources measurement focus and the accrual basis of accounting on both the statutory and GAAP basis. Under this method, additions are recorded when earned and deductions are recorded at the time liabilities are incurred. This measurement focus emphasizes the determination of net change in assets available for pension benefits.

The accounting policies followed in preparing the accompanying statutory basis financial report are described in the remainder of this section.

**B. *Cash, Short-term  
Investments and  
Investments***

The Commonwealth follows the practice of pooling the cash and cash equivalents of its Governmental and Fiduciary Funds. Cash equivalents consist of short-term investments with an original maturity of three months or less and are stated at cost. Interest earned on pooled cash is allocated to the General Fund, Expendable Trust Funds and, when so directed by law, to certain Special Revenue and Capital Projects Funds.

The Commonwealth enters into interest rate swap agreements to modify interest rates on outstanding debt. Other than the net interest expenditures resulting from these agreements no amounts are recorded in the financial statements.

The Pension Trust Funds, with investments of approximately \$25,868,200,000 at fair value, are permitted to make investments in equity securities, fixed income securities, real estate and other alternative investments. For investments traded in an active market, the fair value of the investment will be its market price. The Pension Trust Funds include investments in real estate, venture capital funds, real estate funds, limited partnerships, futures pools, international hedge pools, commodities pools, balanced pools, leveraged buyouts, private placements and other alternative investments. The structure, risk profile, return potential and marketability differ from traditional equity and fixed income investments. Concentration of credit risk exists if a number of companies in which the fund has invested are engaged in similar activities and have similar economic characteristics that could cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. To mitigate the exposure to concentrations of risk, the Pension Trust Funds invest in a variety of industries located in diverse geographic areas. As of June 30, 2002, the estimated fair values, determined by management with input from the investment managers, of these real estate and alternative investments were \$3,500,739,000 of the Pension Trust Funds, representing 11% of the total assets of the Fiduciary Fund Type.

**C. *Securities Lending Program***

The Pension Trust Funds participate in securities lending programs. Under these programs, the Trusts receive a fee for allowing brokerage firms to borrow certain securities for a predetermined period of time, securing such loans with cash or collateral typically equaling 102% to 105% of the fair value of the security borrowed. At June 30, 2002, the market value of the securities on loan from the Pension Reserve Investment Trust (PRIT) was approximately \$1,249,322,000. The value of the collateral held by PRIT amounted to \$1,352,713,000 at June 30, 2002. The PRIT securities on loan were collateralized at all times by U.S. Treasury securities of at least 100% of the value.

**D. *Receivables***

Receivables are stated net of estimated allowances for uncollectible accounts. Reimbursements due to the Commonwealth for its expenditures on federally funded reimbursement and grant programs are reported as "Due from federal government."

**E. *Due from Cities and Towns***

Represents reimbursement due to the Commonwealth for its expenditures on certain programs for the benefit of cities and towns.

**F. *Dedicated Revenue***

As part of the General Appropriation Act of 2000 (Chapter 127 of the Acts of 1999,) the funding mechanism for the net cost of service and other costs of the Massachusetts Bay Transportation Authority (MBTA) was changed. This change became effective July 1, 2000. Under the new funding method (Forward Funding), the MBTA's costs are funded on a current basis, rather than 18 months in arrears as had been under previous practice. The method apportions a "dedicated sales tax" amounting to 1% of applicable sales in the Commonwealth directly to the MBTA. The MBTA will also continue to receive amounts assessed on the 175 cities and towns within the service area (assessments.) The assessments totaled \$142,848,000 and \$144,544,000 in FY02 and FY01, respectively. These assessments are projected to decrease yearly to approximately \$136,000,000 by FY06. After FY06, assessments will be adjusted annually by a maximum of 2.5%.

For FY02, the minimum amount due to the MBTA, or "base revenue," was \$664,350,000. In FY02 the dedicated sales tax revenue was less than the base revenue with deposits in the Massachusetts Bay Transportation Authority State and Local Contribution Fund totaling from said taxes approximately \$638,148,000. Pursuant to the enabling statute, quarterly transfers of sales tax revenue deposited into the general and local aid funds totaling \$26,202,000 were transferred to the fund to raise the dedicated sales tax revenue to base revenue. For FY03, the dedicated sales tax will be equal to the greater of the amount raised by the sales tax or the base revenue of \$684,281,000.

The total cost to establish the Forward Funding mechanism was \$948,290,000. Of that amount, \$325,000,000 was funded through the issuance of General Obligation Bonds during FY01 and \$10,540,000 was funded through operating transfers in FY01. During FY01, the Commonwealth appropriated \$27,500,000 to begin the amortization of \$612,750,000 of the remaining deficit in the Highway Capital Projects Fund. During FY02, the Commonwealth bonded for \$300,000,000 of the remaining \$585,250,000. The maximum authorization was also raised to \$585,250,000. For FY03 through FY21, the Commonwealth has the option of either appropriating a level amount annually to fund the remaining cost, or bonding the deficit, to a maximum remaining authorization of \$285,250,000.

**G. Inventories**

The costs of materials and supplies are recorded as expenditures in Governmental Funds when purchased. Such inventories are not material in total to the financial statements and therefore are not presented.

**H. General Fixed Assets**

General fixed asset acquisitions are recorded as expenditures in the acquiring fund and capitalized in the General Fixed Assets Account Group in the year purchased. General fixed assets are recorded at historical cost, or at estimated historical cost if actual historical cost is not available. Donated fixed assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized.

The Commonwealth capitalizes all land except land associated with infrastructure. It capitalizes buildings and equipment, including computer software, with a cost in excess of \$100,000 and \$50,000 respectively at the date of acquisition and with an expected useful life greater than one year. For FY01 this threshold was \$15,000 for all fixed assets. Public domain general fixed assets and infrastructure (roads, bridges, tunnels, dams, water and sewer systems, etc.) are not capitalized. Interest incurred during construction is not material and is not capitalized. No depreciation is provided on general fixed assets for FY02.

**I. Interfund/Intrafund Transactions**

During the course of its operations, the Commonwealth records transactions between funds and/or between departments. On the statutory basis, transactions between Governmental and Fiduciary Fund Types are recorded as adjustments to the funds' cash accounts. As a result, a fund may report a deficiency in cash and short-term investments.

Transactions of a buyer/seller nature between departments within a fund are not eliminated.

Transfers in and out net to approximately \$4,827,000 due to higher education non-appropriated fund activity, which is not included in the combined statements – statutory basis.

**J. Risk Management**

The Commonwealth does not insure for state employees workers' compensation, casualty, theft, tort claims and other losses. Such liabilities are not recognized on the statutory basis until encumbered and/or processed for payment. For employees workers' compensation, the Commonwealth assumes the full risk of claims filed under a program managed by the Human Resources Division. For personal injury or property damages, Chapter 258 of the Massachusetts General Laws (General Laws) limits the risk assumed by the Commonwealth to \$100,000 per occurrence, in most circumstances. The Group Insurance Commission administers contributory health care and other insurance programs for the Commonwealth's employees and retirees.

The Commonwealth has entered into agreements for insurance for Central Artery/Tunnel Project workers' compensation and certain other claims that may arise in the course of the Project. This special arrangement has been approved by the Federal Highway Administration as a cost-effective method to fund current and potential future claims by contractors, workers, and other parties affected by the project. Pursuant to the agreement, the Commonwealth conveys

a sum of money to an agent each month. This amount includes both federal and state share. The agent manages and settles all claims. At the conclusion of the program, the balance remaining, if any, will be returned to the Commonwealth and the federal government. The monthly amount conveyed to an agent is accounted for (on the statutory basis of accounting) as an expenditure in the Federal Highway Capital Projects Fund.

**K. *Encumbrances***

Encumbrance accounting is utilized in the Governmental Fund Types as a significant aspect of budgetary control. The full amounts of purchase orders, contracts and other commitments of appropriated resources are encumbered and recorded as deductions from appropriations prior to actual expenditure, ensuring that such commitments do not exceed appropriations. Encumbrances outstanding at year-end for goods or services received on or before June 30 are reported as expenditures and statutory basis liabilities as a component of accounts payable.

**L. *Fringe Benefit Cost Recovery***

The Commonwealth appropriates and pays the fringe benefit costs of its employees and retirees through the General Fund. These fringe benefits include the costs of employees' health insurance, pensions, unemployment compensation, and other costs necessary to support the state work force. As directed by Chapter 29, Sections 5D and 6B(f) of the Massachusetts General Laws, these costs are assessed to other funds based on their payroll costs, net of credits for direct payments. Since these fringe benefit costs are not appropriated in the budget, the required assessment creates a variance between budget and actual expenditures at year-end. The fringe benefit cost recoveries of \$161,524,000 in the budgeted funds result from costs assessments of \$110,667,000 in the governmental fund types and the expendable trust funds. The remainder of \$50,857,000 is assessed to the higher education non-appropriated activity which is not included in the statutory basis financial report.

**M. *School Construction Grants***

The Commonwealth, through legislation, is committed to reimburse certain cities, towns and regional school districts for a portion of their debt service costs for school construction and renovation. These costs are recorded as expenditures when paid.

**N. *Compensated Absences***

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements and state laws. Upon retirement, termination or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their then-current rate of pay. Vacation and sick leave are recorded as expenditures when paid.

**O. *Lottery Revenue and Prizes***

Ticket revenues are recognized when sold and prizes awarded by the Massachusetts Lottery Commission are recognized as drawings are held.

**P. *Fund Balances***

The Commonwealth reports fund balances as reserved where legally restricted for a specific future use. Otherwise, these balances are considered unreserved.

Fund balance has been reserved as follows:

"Reserved for continuing appropriations" – are unexpended amounts in appropriations which the Legislature has specifically authorized to be carried into the next FY.

“Reserved for Commonwealth stabilization” – are amounts set aside in the Commonwealth Stabilization Fund in accordance with 5C of Chapter 29 of Massachusetts General Laws.

“Reserved for tax reduction” - are amounts set aside in the Tax Reduction Fund according to Section 6 of Chapter 29B of the Massachusetts General Laws.

“Reserved for transitional escrow” –for FY01, amounts were reserved until November 30, 2001 under Chapter 88, Section 36 of the Acts of 2001.

“Reserved for debt service” – are amounts held by fiscal agents or the Commonwealth to fund future debt service obligations.

“Reserved for employees’ pension benefits” – are the net assets of the Commonwealth’s public employee retirement systems which cannot be used for any other purpose.

“Reserved for unemployment benefits” – are amounts reserved for payment of unemployment compensation.

“Reserved for capital projects” - are amounts reserved for capital projects.

Unreserved fund balance is segregated into two components:

“Designated for specific purpose” – are all unreserved fund balances for which the Legislature or Executive Branch has evidenced an intention to restrict for a specific purpose.

“Undesignated” – consists of cumulative surpluses or deficits of the Governmental Fund Types not otherwise designated.

#### **Q. *Reclassification***

Certain reclassifications have been made to the FY 2001 account balances to conform to the presentation used in FY02.

### **3. BUDGETARY CONTROL**

State finance law requires that a balanced budget be approved by the Governor and the Legislature. The Governor presents an annual budget to the Legislature which includes estimates of revenues and other financing sources and recommended expenditures and other financing uses. The Legislature, which has full authority to amend the budget, adopts an expenditure budget by appropriating monies at the individual appropriation account level in an annual appropriations act.

Before signing the appropriations act, the Governor may veto or reduce any specific item, subject to legislative override. Further changes to the budget established in the annual appropriations act may be made via supplemental appropriations acts or other legislative acts. These must also be signed by the Governor and are subject to the line item veto.

In addition, Massachusetts General Laws authorize the Secretary of Administration and Finance, with the approval of the Governor, upon determination that available revenues will be insufficient to meet authorized expenditures, to withhold allotments of appropriated funds which effectively reduce the account’s expenditure budget.

The majority of the Commonwealth's appropriations are non-continuing accounts which lapse at the end of each fiscal year. Others are continuing accounts for which the Legislature has authorized that an unspent balance from the prior year be carried forward and made available for spending in the current fiscal year. In addition, the Legislature may direct that certain revenues be retained and made available for spending within an appropriation. Fringe benefits and other costs which are mandated by state finance law are not itemized in the appropriation process and are not separately budgeted.

The original FY02 appropriations act, Chapter 177, Acts of 2001, authorized \$21,238,263,000 in direct appropriations. In addition, the act contained \$975,257,000 in authorizations to retain and expend certain non-tax revenues of which \$970,218,000 were estimated to be collected and expended. The Act and supplemental appropriations also included \$135,158,675 in interagency chargebacks. Chapter 177 included estimates of \$14,929,954,500 in tax revenues and approximately \$6,860,600,000 in non-tax revenues. With these revenues (exclusive of chargebacks) projected to total approximately \$21,790,554,500 and with unreserved balances of approximately \$369,500,000 (exclusive of the Mosquito and Greenhead Fly Control Fund which became a non-budgeted fund in FY02) carried forward from the FY01, the budget as presented in this original appropriation act was considered to be in balance.

During FY02, the Legislature also passed and the Governor signed, with some modification through veto, Chapters 183 - 199, Chapters 203 and 220 of the Acts of 2001 and Chapter 118 of the Acts of 2002, which included numerous supplemental budgetary appropriations. These supplements added \$512,919,000 of indirect appropriations and \$111,856,660 in retained revenue authorizations.

Subsequent to June 30, 2002, the Legislature passed and the Governor signed Chapters 300 of the Acts of 2002, which included \$45,798,509 in additional supplemental appropriations and \$3,116,500 in additional retained revenue authorizations. The cumulative FY02 appropriations, retained revenues and interagency chargebacks totals \$23,068,792,000. Appropriations continued from FY01 totaled approximately \$290,029,000 and certain interfund transfers directed by statute totaled approximately \$1,674,382,000.

Because revenue budgets are not updated subsequent to the original appropriation act, the comparison of the initial revenue budget to the subsequent, and often modified, expenditure budget can be misleading. Also, these financial statements portray fund accounting with gross inflows and outflows, thus creating a discrepancy to separately published budget documents. In conducting the budget process, the Commonwealth excludes those interfund transactions that by their nature have no impact on the combined fund balance of the budgeted funds.

Generally, expenditures may not exceed the level of spending authorized for an appropriation account. However, the Commonwealth is statutorily required to pay debt service, regardless of whether such amounts are appropriated.

During FY02, the Commonwealth experienced a significant downturn in certain tax revenues. The revenue estimates, under the provisions of section 5D of Chapter 29 of the General Laws, were determined to be insufficient to meet all of the expenditures authorized to be made for FY02. Therefore, in accordance with section 9C of said Chapter 29, the Secretary for Administration and Finance notified the Governor and the House and Senate Committees on Ways

and Means of the amount of the probable deficiency of revenue. In accordance with her authority under said section 9C, the Governor reduced allotments under section 9B of said Chapter 29. The amount of this reduction was \$120,256,891.

The following table identifies this interfund activity from the budgeted sources and uses to reconcile forecasts prepared during the budget process to the detailed fund accounting of the Commonwealth's statutory financial statements (amounts in thousands):

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses
Actual as presented in the combined budget and actual statement - statutory basis.....	\$ 23,049,348	\$ 24,674,686
Adjustments to revenues and expenditures		
Transfer to the Intragovernmental		
Service Fund Revenues.....	(115,226)	(115,226)
Adjustments to other financing sources and uses:		
Fringe benefit cost assessments.....	(53,267)	(53,267)
Transfer from the Intragovernmental		
Service Fund to the General Fund.....	(1,112)	(1,112)
Transfer from the Revenue Maximization		
Fund to the General Fund.....	(6,602)	(6,602)
RMV License Plates.....	(1,735)	(1,735)
Transfer from the General Fund to the		
Children's and Seniors Health Fund.....	(36,952)	(36,952)
Stabilization transfers.....	(1,030,000)	(1,030,000)
Transfer from the Transitional Escrow Fund		
to the General Fund and Stabilization Fund.....	(579,215)	(579,215)
Transfer from the Voting Equipment Loan Fund to		
the General Fund .....	(1,397)	(1,397)
Transfer from the Tax Reduction Fund to		
the General Fund .....	(33,605)	(33,605)
Debt Service Reimbursement from the MWRA	(10,342)	(10,342)
Transfer to Caseload Mitigation Increase Fund.....	(4,878)	(4,878)
Other .....	(100)	(100)
Actual as presented on budgetary documents.....	<u>\$ 21,174,917</u>	<u>\$ 22,800,255</u>

The section divider for the budgeted funds contains a list of budgeted funds grouped by categories.

The Office of the Comptroller has the responsibility to ensure that budgetary control is maintained on an individual appropriation account basis. Budgetary control is exercised through the state accounting system, Massachusetts Management Accounting and Reporting System (MMARS). Encumbrances and expenditures are not allowed to exceed the appropriation account's spending authorization.

**4. DEPOSITS AND INVESTMENTS**

The Commonwealth maintains a cash and short-term investment pool that is available for use by all funds. Each fund type's net equity in this pool is displayed on the combined balance sheet as either "Cash and short-term investments" or "Deficiency in cash and short-term investments." The investments of the Pension Trust Funds are held in a trust.

The Office of the Treasurer and Receiver-General (Treasury) manages the Commonwealth's short-term investment pool. Statutes authorize investment in obligations of the U.S. Treasury, authorized bonds of all states, banker's acceptances, certificates of deposit, commercial paper rated within the three highest classifications established by Standard & Poor's Corporation and Moody's Commercial Paper Record and repurchase agreements that any of these obligations secure. Such investments are carried at cost, which approximates fair value.

The pooled cash and short-term investments at June 30, 2002 are as follows (amounts in thousands):

	<u>Carrying Value</u>
Cash and Certificates of deposit.....	\$ 573,678
Short-term investments:	
Short-term investment pool.....	3,461,927
Repurchase agreements and other.....	3,745
Money market investments.....	902,907
Total.....	<u>\$ 4,942,257</u>

Pooled cash and short-term investments include the following:

Cash and short-term investments.....	\$ 6,659,568
Cash with fiscal agent.....	343,333
Deficiency in cash and short-term investments.....	<u>(2,060,644)</u>
Total.....	<u>\$ 4,942,257</u>

The Pension Trust Funds have invested a significant portion of their portfolios into a trust, which pools assets for investment purposes and allocates returns on these investments in proportion to each fund's share of the pool. The fund include money held on behalf of other governments.

The investments are carried at fair value. At June 30, 2002, they are as follows (amounts in thousands):

	<u>Amount</u>
Investments:	
Equity securities.....	\$ 10,174,847
International investments.....	6,005,485
U.S. government and government agency securities.....	4,482,760
Fixed income securities.....	2,671,427
Real estate.....	1,850,346
Alternative investments.....	1,650,393
Total.....	<u>\$ 26,835,258</u>

On behalf of the Health Care Security Trust Fund, the Pension Reserve Management Board has invested a significant portion of their portfolios into a trust, which pools assets for investment purposes and allocates returns on these investments in proportion to the fund's share of the pool.

The investments are carried at fair value. At June 30, 2002, they are as follows (amounts in thousands):

	Amount
Investments:	
Equity securities.....	\$ 240,277
U.S. government and government agency securities.....	93,953
International investments.....	77,978
Fixed income securities.....	58,421
Real estate.....	10,781
Total.....	<u>\$ 481,410</u>

**A. Financial Instruments  
with Off-Balance Sheet  
Risk**

Certain investments of the Commonwealth may involve a degree of risk not accounted for on the respective financial statements. A description of such "off-balance sheet risks" are as follows:

**B. Forward Currency  
Contracts**

The Pension Trust Funds enter into forward currency contracts to hedge the exposure to change in foreign currency exchange rates on foreign portfolio holdings. The market value of the contract will fluctuate with changes in currency exchange rates. Risks may arise upon entering these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar.

When the contract is closed, the Pension Trust Funds record a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. Fluctuations in the value of forward currency contracts are recorded as unrealized gains or losses by the Pension Trust Funds.

**C. Future Contracts**

The Pension Trust Funds may purchase and sell financial futures contracts to hedge against changes in the values of securities the fund owns or expects to purchase. Upon entering such contracts, they must pledge to the broker an amount of cash or securities equal to a percentage of the contract amount.

The potential risk is that the change in the value of futures contracts primarily corresponds with the value of underlying instruments, which may correspond to the change in value of the hedged instruments. In addition, there is a risk that PRIT may not be able to close out its future positions due to a non-liquid secondary market. Risks may arise from the potential inability of a counterparty to meet the terms of a contract and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar. The Pension Trust Funds may also invest in financial futures contracts for non-hedging purposes.

Payments are made or received by the Pension Trust Funds each day, depending on the daily fluctuations in the value of the underlying security and are recorded as unrealized gains or losses. When the contracts are closed, the Pension Trust Funds recognize a realized gain or loss.

**D. Options**

PRIT is also engaged in selling or “writing” options. The Pension Trust Funds, as writers of options, may have no control over whether the underlying securities may be sold (call) or purchased (put) and, as a result, bears the market risk of an unfavorable change in the price of the security underlying the written option. As of June 30, 2002, there were no material options outstanding.

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**5. SHORT-TERM FINANCING AND CREDIT AGREEMENTS**

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Massachusetts General Laws authorize the Treasurer to issue temporary notes in anticipation of revenue or bond financing. When this short-term debt does not meet long-term financing criteria, it is classified as a fund liability. Short-term debt may be issued on either a stand-alone basis or through a commercial paper program maintained by the Commonwealth.

**A. General Fund**

The balance of revenue anticipation notes (RANs) outstanding may fluctuate during a fiscal year, but must be reduced to zero at June 30. During FY02, the Commonwealth issued RANs through its commercial paper program on a periodic basis to meet cash flow needs. Up to \$683,000,000 of RANs were issued during the year. All RANs were retired before the end of May, 2002.

**B. Capital Projects Funds**

The Commonwealth may issue bond anticipation notes (BANs) to temporarily finance its capital projects. BANs may be issued either on a stand-alone basis or through the Commonwealth’s commercial paper program.

During FY02 the Commonwealth periodically issued BANs through the commercial paper program, beginning in August 2001. BANs were rolled over and paid down at various times during the fiscal year. No more than \$300,000,000 of BANs were outstanding under the commercial paper program at any time and all BANs were retired before the end of February, 2002.

During FY02, the Commonwealth also sold BANs on a stand-alone basis. On September 5, 2001, \$350,000,000 of General Obligation BANs were issued to finance costs associated with the development of Convention Centers in Boston, Worcester and Springfield, and to retire a portion of BANs issued prior to the sale. The BANs mature on September 1, 2003.

On March 28, 2002, \$180,000,000 of General Obligation BANs were issued. The BANs, issued to finance costs of the Central Artery / Tunnel Project, in advance of receiving certain contributions from the Massachusetts Port Authority (Massport), mature on April 25, 2003. The amount remaining to be paid by Massport totals approximately \$205 million, payable in three installments of approximately \$105 million, \$50 million and \$50 million on December 31, 2002, 2003 and 2004, respectively. Due to the events of

September 11, 2001, Massport has experienced significant reductions in revenues and operations, as well as increases in certain expenses. The duration of these circumstances cannot be known. Massport has advised the Commonwealth that it does not expect to issue bonds to meet its December 2002 obligation until the summer of 2003. The Commonwealth has agreed to reschedule the payment due from Massport. The FY03 general appropriation act has provisions for the Commonwealth to charge Massport interest costs related to this transaction due to the delay in payment.

### C. Letter-of-Credit Facilities

During FY02, the Commonwealth maintained a letter-of-credit agreement with a bank in order to provide credit and liquidity support for its commercial paper program. The letter of credit was available to secure up to \$200,000,000 of Commonwealth commercial paper plus interest thereon. Advances were available, subject to certain limitations and bearing interest at the bank rate as defined, in anticipation of revenue or bond proceeds repayable by the following

June 30, subject to extension in certain circumstances at the Commonwealth's option. No such advances were drawn during the fiscal year ended June 30, 2002. The existing letter of credit facility expires on December 28, 2003. The cost of the facility is approximately 0.15% on both unutilized and utilized amounts.

### D. Line-of-Credit Facilities

During FY02, the Commonwealth maintained line-of-credit facilities to provide liquidity support for commercial paper notes. The total of such facilities was increased from \$400,000,000 to \$800,000,000 during the course of the fiscal year. The Commonwealth has a total of four line-of-credit facilities to provide such liquidity support for each in the amount of \$200,000,000. These facilities expire in September and December of 2004, and March and September of 2005 respectively. The cost of these facilities ranges from 0.125% to 0.17%.

The following schedule details short – term financing and credit agreement activity for all funds for the fiscal year (amounts in thousands):

	Bonds Outstanding	Authorized and Unissued
Balance July 1, 2001 .....	\$ 13,999,454	\$ 9,290,418
General and special obligation bonds:		
Principal, less discount and issuance costs .....	1,486,314	(1,486,314)
Principal issued for sinking fund .....	11,645	-
Net premium and issuance costs .....	(27,687)	-
General obligation refunding bonds:		
Principal on Refunding Bonds .....	1,176,990	-
Principal on Refunded Bonds .....	(1,168,626)	-
Retired discount on Refunded Bonds .....	(13,794)	-
Special obligation refunding bonds:		
Principal on Refunding Bonds .....	183,180	-
Principal on Refunded Bonds .....	-	-
Increase in bonds authorized .....	-	679,554
Bonds retired .....	(692,341)	-
Balance June 30, 2002 .....	<u>\$ 14,955,135</u>	<u>\$ 8,483,658</u>

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**6. LONG-TERM DEBT**

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Under the Constitution of the Commonwealth of Massachusetts, the Commonwealth may borrow money (a) for defense, (b) in anticipation of receipts from taxes or other sources, any such loan to be paid out of the revenue of the year in which the loan is made, or (c) by a two-thirds vote of the members of each house of the Legislature present and voting thereon. The Constitution further provides that borrowed money shall not be expended for any other purpose than that for which it was borrowed or for the reduction or discharge of the principal of the loan. In addition, the Commonwealth may give, loan or pledge its credit by a two-thirds vote of the members of each house of the Legislature present and voting thereon, but such credit may not in any manner be given or loaned to or in aid of any individual, or of any private association, or of any corporation which is privately owned or managed.

The Commonwealth has waived its sovereign immunity and consented to be sued on contractual obligations, including bonds and notes issued by it and all claims with respect thereto. However, the property of the Commonwealth is not subject to attachment or levy to pay a judgment, and the satisfaction of any judgment generally requires legislative appropriation. Enforcement of a claim for the payment of principal or interest on bonds and notes of the Commonwealth may also be subject to the provisions of federal or Commonwealth statutes, if any, enacted to extend the time for payment or impose other constraints upon enforcement.

As of June 30, 2002, the Commonwealth had three types of long-term debt outstanding.

**A. General Obligation Bonds**

General Obligation Bonds are authorized and issued primarily to provide funds for Commonwealth-owned capital projects and local government improvements. They are backed by the full faith and credit of the Commonwealth and paid from the Governmental Funds, in which debt service principal and interest payments are appropriated. Massachusetts General Laws provide for the allocation of bond proceeds to these authorizations in arrears, as expenditures are made, unless the proceeds are allocated at the time of issuance.

**i. College Opportunity Bonds**

Some Commonwealth general obligation debt is issued as College Opportunity Bonds (COBs) as authorized by the Massachusetts General Laws. Such bonds were initially issued in fiscal year 1996, and have been issued in each subsequent fiscal year, including FY02, when approximately \$5,636,000 of such bonds were issued. Outstanding COBs have maturity dates ranging from 2002 through 2021. COBs have an accreting interest component payable at maturity. The annual accretion rate of each COB's maturity is a variable rate equal to the change in annual Consumer Price Index (CPI) plus 2.0%. Assuming the CPI averages 3.5% during the life of the outstanding COBs the payments due at maturities of the COBs will total approximately \$174,157,000. In addition, COBs pay current interest in the amount of 0.5% per year of the initial amount still outstanding. The full faith and credit of the Commonwealth back these bonds. These bonds are sold to fund the Commonwealth's "U. Plan" which is part of a college savings program administered by the Massachusetts Educational Financing Authority. These bonds are privately placed and are structured to meet the needs of investors in this plan.

**ii. County Debt Assumed**

Chapter 38 of the Acts of 1997 and Chapter 300 of the Acts of 1998 abolished governments of several Massachusetts counties on various effective dates. As

part of these provisions, the Commonwealth assumed the outstanding debt of Middlesex County on July 1, 1997, of Hampden and Worcester Counties on July 1, 1998, that of Essex County on July 1, 1999 and that of Berkshire County on July 1, 2000. The county debt assumed has become general obligation debt of the Commonwealth. As of June 30, 2002, \$1,115,000 of these obligations remains outstanding.

#### **B. *Special Obligation Bonds***

The Commonwealth also issues special obligation revenue bonds as authorized by Massachusetts General Laws. Such bonds may be secured by all or a portion of revenues credited to the Highway Fund and are not general obligations of the Commonwealth. At June 30, 2002, the Commonwealth had outstanding \$837,910,000 of such special obligation bonds, of which \$772,812,000 is allocated to debt not subject to the Commonwealth's statutory debt limit. These bonds are secured by a pledge of 6.86 cents of the 21 cent motor fuel excise tax imposed on gasoline.

In June of 2002, the Commonwealth sold \$319,130,000 of special obligation revenue bonds, Series 2002A. Of this amount, \$183,180,000 was issued to refund prior special obligation bonds. The remainder was used to fund capital spending in the Commonwealth. The escrow funded by the refunding bonds and related premium will be used only to secure the principal related to \$190,075,000, exclusive of related call premium in previously issued special obligation bonds maturing on June 1, 2003, 2004, 2006 and 2008. The interest related to these maturities is not secured by this escrow. Rather, it will be paid from the existing stream of motor fuel excise taxes. Interest on a portion of the newly issued refunding bonds will be paid from the proceeds of the escrow until the aforementioned prior bonds are called for redemption. This technique, which is generally referred to as a "crossover refunding," results in economic savings to the Commonwealth similar to a normal refunding, but does not meet the accounting definition of defeasance of debt, in which case the defeased debt and the related escrow accounts would have been removed. Until such time as the escrow is used to repay the principal of the refunded bonds, such amounts will be reported in the Highway Capital Projects Fund.

#### **C. *Federal Highway Grant Anticipation Notes (GANs)***

The Commonwealth also issues Federal Highway GANs to finance current cash flow for the Central Artery/Tunnel Project in anticipation of future federal reimbursements. Section 9 through 10D of Chapter 11 of the Acts of 1997, as amended by Chapter 121 of the Acts of 1998, authorizes the Commonwealth to sell up to \$1,500,000,000 in GANs. All Federal Highway Construction reimbursements and reimbursements from the federal highway construction trust funds are pledged to the repayment of the GANs. At June 30, 2002, the Commonwealth has \$1,499,325,000 of GANs outstanding, including accrued interest on capital appreciation bonds with maturity dates ranging from 2005 to 2015. These notes are secured by the pledge of Federal Highway Construction Reimbursements without a general obligation pledge. Under certain limited circumstances, a portion of the revenue from the Commonwealth's motor fuels excise tax may be used to pay debt service on the GANs.

#### **D. *Variable Rate Demand Bonds***

Included in the long-term debt is \$1,542,600,000 of general obligation variable rate demand bonds (VRDBs) maturing from 2007 through 2030 in varying amounts. The redemption schedule for these bonds is included in the bond redemption schedule contained herein. The interest rate on the VRDBs is determined either weekly or daily based on the activity of the Commonwealth's remarketing agents, and interest is paid monthly. On any reset date holders of the VRDBs can require the Commonwealth (acting through its remarketing and tender agents) to repurchase the bonds (a "put"). The remarketing agent is

authorized to use its best efforts to resell any repurchased bonds by adjusting the interest rates offered. The Commonwealth pays an annual fee to the remarketing agents equal to 0.05% of the par amount of the bonds.

Under the provisions of stand-by bond-purchase agreements entered into by the Commonwealth with certain commercial banks, the remarketing and tender agents are entitled to draw amounts sufficient to pay the purchase price of any bonds that cannot be resold. During any such period the Commonwealth is required to pay the bank(s) at an interest rate based on their respective prime lending rates. If the remarketing agent is unable to resell any put bonds within six months of the put date, the stand-by bond-purchase agreements include provisions to convert any such bonds to installment loans payable over an extended period of time, with interest payable at a rate based on the bank(s) prime lending rate(s). The stand-by bond-purchase agreements expire on various dates between September of 2003 and February of 2006. The Commonwealth is required to renew or replace these agreements as long as the VRDBs remain outstanding. The Commonwealth currently pays an annual fee to maintain these agreements which ranges from 0.10% to 0.18% of the par amount of the bonds.

#### **E. *Interest Rate Swap Agreements***

As of June 30, 2002, \$1,267,000,000 of the VRDBs have been issued as general obligation refunding bonds. In connection with the issuance of such refunding bonds, the Commonwealth has entered into interest rate exchange ("swap") agreements with certain counterparties. These agreements require the counterparties to pay the Commonwealth an amount equal to the variable rate payable on the bonds and in return the Commonwealth pays a specified fixed rate. Only the net difference in interest payments is exchanged with the counterparty. The potential risk is that the variable rate will fall below the fixed rate established under this agreement. The Commonwealth continues to pay interest to the bondholders at the applicable variable rates. Through these agreements the Commonwealth has effectively fixed its interest rate payment obligations on the relevant VRDBs at rates ranging from 4.15% to 4.659%, not including the cost of liquidity and remarketing. The Commonwealth will be exposed to a variable rate if the counterparties default or if the swap is terminated. A termination of the swap may also result in the Commonwealth making or receiving a termination payment.

#### **F. *Auction Rate Securities***

Also included in the long-term debt is \$401,500,000 of general obligation Auction Rate Securities (ARS) maturing in varying amounts from 2020 through 2030. The interest rate payable on the bonds changes weekly as determined pursuant to specified auction procedures. Interest on the bonds is payable weekly. In the case of a failed auction (i.e., insufficient bids to clear the market) existing buyers may be required to hold their bonds with interest payable at rate equal to a percentage of an ARS industry index.

#### **G. *Outstanding Debt***

For financial reporting purposes, long-term debt is carried at its face value, which includes discount and any issuance costs. The outstanding amount represents the total principal to be repaid. For capital appreciation bonds, the outstanding amount represents total principal and accreted interest to be repaid. When short-term debt has been refinanced on a long-term basis, it is reported as outstanding at its face amount.

The amount of long-term debt authorized but unissued is measured in accordance with the statutory basis of accounting. Only the net proceeds (exclusive of discount and costs of issuance) are deducted from the total authorized by the Legislature.

Long-term debt outstanding (including discount and issuance cost) and debt authorized and unissued at June 30, 2002 as follows (amounts in thousands):

<u>Purpose</u>	<u>Bonds Outstanding</u>	<u>Maturities</u>	<u>Authorized and Unissued</u>
G A N S.....	\$ 1,499,325	2005-2015	\$ -
Capital Projects:			
General.....	5,067,282	2002-2022	3,272,250
Highway.....	7,022,375	2002-2032	4,197,371
Local Aid.....	1,305,743	2002-2022	147,099
Other.....	60,410	2002-2022	866,938
	<u>13,455,810</u>		<u>8,483,658</u>
Total.....	<u>\$ 14,955,135</u>		<u>\$ 8,483,658</u>

Interest rates on the Commonwealth's debt outstanding at the end of FY02 ranged from 0.1% to 8.0%.

Changes in long-term debt outstanding (including discount and issuance cost) and bonds authorized - unissued for the year ended June 30, 2002 are as follows (amounts in thousands):

## Fiscal Year Ended

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003.....	\$744,830	\$739,821	\$1,484,651
2004.....	757,020	700,456	1,457,476
2005.....	822,162	666,861	1,489,023
2006.....	944,752	625,151	1,569,903
2007.....	983,127	577,368	1,560,495
2008-2012.....	4,848,232	2,123,589	6,971,821
2013-2017.....	3,567,934	997,514	4,565,448
2018-2022.....	1,692,925	359,574	2,052,499
2023-2027.....	233,399	126,947	360,346
2028-2032.....	<u>360,755</u>	<u>35,532</u>	<u>396,287</u>
Total	<u>\$14,955,135</u>	<u>\$6,952,813</u>	<u>\$21,907,949</u>

At June 30, 2002, debt service requirements to maturity for principal (including discount, capital appreciation and issuance costs) and interest are as follows (amounts in thousands):

	<u>Capital Leases</u>		<u>Operating</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Leases</u>	
2003.....	\$43,245	\$6,512	\$140,509	\$190,266
2004.....	37,731	5,550	112,605	155,886
2005.....	31,103	4,531	92,118	127,752
2006.....	24,281	3,574	51,331	79,186
2007.....	18,992	2,717	22,590	44,299
2008-2012.....	26,589	3,325	60,203	90,117
2013-2017.....	429	54	1,279	1,762
2018-2022.....	168	21	506	695
Total.....	<u>\$182,538</u>	<u>\$26,284</u>	<u>\$481,141</u>	<u>\$689,963</u>

The Commonwealth issued bonds and notes through both competitive and negotiated sales during FY02. The costs for legal counsel and underwriting fees (including estimated amounts related to competitive sales) for bond sales were \$593,000 and \$14,327,000 respectively. In addition, the Commonwealth paid \$186,000 for disclosure counsel services.

#### **H. Bonds Defeased Through Refunding**

As authorized by the Massachusetts General Laws, the Commonwealth advance refunded certain general obligation bonds through the issuance of \$1,176,990,000 of general obligation refunding bonds (exclusive of the aforementioned special obligation refunding bonds) during FY02. Net proceeds totaling approximately \$1,267,751,000 were used to purchase U.S. Government and U.S. Government Agency securities which were deposited in irrevocable trusts with an escrow agent to provide for all future debt service payments of the refunded bonds. As a result, the refunded bonds are considered to be defeased, and the liabilities therefore have been removed from the General Long-term Obligations Account Group. As a result of this refunding, the Commonwealth decreased current year debt service payments and has taken advantage of lower interest rates, and it has decreased its aggregate debt service payments by approximately \$55,013,000 over the next 20 years and will experience an economic gain (the difference between the present values of the debt service payments of the refunded and refunding bonds) of approximately \$47,141,000. At June 30, 2002, approximately \$1,090,330,000 of the bonds refunded remain outstanding and are defeased.

#### **I. Prior Defeasance**

In prior years, the Commonwealth defeased certain general and special obligation bonds by purchasing securities (from the proceeds of refunding bonds or from surplus operating funds) and placing them in irrevocable trusts to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included in the financial statements. At June 30, 2002, approximately \$2,286,432,000 of bonds outstanding from activities in prior fiscal years are considered defeased.

#### **J. Statutory Debt Limit**

The Massachusetts General Laws establish limits on the amount of direct debt outstanding. By statutorily limiting the Commonwealth's ability to issue direct debt, this limit provides a control on annual capital spending. The direct debt

limit for FY02 was approximately \$11,630,307,000. Outstanding debt subject to the limit at June 30, 2002 was approximately \$11,014,062,000. The limit increases 5% per year.

For purposes of determining compliance with the limit, outstanding direct debt is defined to include general obligation bonds and minibonds at the amount of their original net proceeds. It excludes BANs and discount and issuance costs, if any, financed by these bonds. It also excludes special obligation bonds, GANs, refunded bonds, certain refunding bonds, debt issued by counties, and debt issued in conjunction with the MBTA forward funding.

The amounts excluded from the debt limit are as follows (amounts in thousands):

	<u>Debt Outstanding</u>
Balance June 30, 2002.....	\$ 14,955,135
Less amounts excluded:	
Discount and issuance cost.....	(181,910)
Chapter 5 of the Acts of 1992 Refunding..	(22,043)
Special Obligation Principal.....	(772,812)
GANs Principal.....	(1,500,000)
County Debt Assumed.....	(1,115)
MBTA Forward Funding.....	(625,000)
Central Artery Tunnel.....	(838,193)
Outstanding Direct Debt.....	<u>\$ 11,014,062</u>

#### **K. Subsequent Bond Issuances**

Subsequent to year-end, the Commonwealth sold nearly \$2.5 billion in debt and priced an additional \$658 million in debt that will be delivered at various times from November 2002 to May of 2003. Of these amounts, \$820 million will be used to fund capital projects, while the remainder will fund refunding escrows, taking advantage of historically low interest rates. This refunding activity will lower the Commonwealth's aggregate debt service payments by approximately \$122.1 million over the next 19 years, resulting in a present value debt service savings of approximately \$95.2 million.

#### **7. LEASES**

In order to finance the acquisition of equipment the Commonwealth has entered into various lease/purchase agreements, including tax-exempt lease purchase (TELP) agreements, which are accounted for as capital leases. Lease agreements are for various terms and contain clauses indicating that their continuation is subject to appropriation by the Legislature. For the fiscal year ended June 30, 2002, capital lease/purchase expenditures totaled approximately \$43,080,000.

At June 30, 2002, the Commonwealth's aggregate outstanding liability under capital leases, the present value of the net minimum lease payments, totals approximately \$182,538,000. This liability is reported in the General Long-Term Obligations Account Group. Equipment acquired under capital leases and included in the General Fixed Assets Account Group totaled approximately \$182,281,000.

The Commonwealth has numerous operating lease agreements for real property and equipment with varying terms. These agreements contain provisions indicating that continuation is subject to appropriation by the Legislature.

Operating lease expenditures for the fiscal year ended June 30, 2002 were approximately \$204,211,000.

The following is a schedule of future minimum payments under non-cancelable leases as of June 30, 2002 (amounts in thousands):

Actuarial Valuation as of January 1	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Unfunded Actuarial Liability (UAL)	Funded Ratio %	Annual Covered Payroll *	UAL as a % of Covered Payroll
State Employees' Retirement System						
2002	\$ 15,002,000	\$ 15,961,000	\$ 959,000	94.0 %	\$ 4,034,000	23.8 %
2001	13,922,000	15,170,000	1,248,000	91.8	3,700,000	33.7
2000	13,364,000	14,138,000	773,000	94.5	3,472,000	22.3
1998	9,914,000	11,361,000	1,447,000	87.3	3,111,000	46.5
1996	7,366,000	9,441,000	2,075,000	78.0	2,989,000	69.4
1995	5,879,000	8,602,000	2,723,000	68.3	2,992,000	91.0
1993	5,071,000	8,738,000	3,667,000	58.0	2,919,000	125.6
1992	4,699,000	7,303,000	2,604,000	64.3	2,638,000	98.7
Teachers' Retirement System						
2002	15,712,000	20,620,000	4,908,000	76.2	4,264,000	115.1
2001	14,390,000	18,170,000	3,779,000	79.2	4,072,000	92.8
2000	13,681,000	16,420,000	2,739,000	83.3	3,704,000	73.9
1998	10,170,000	13,095,000	2,925,000	77.7	3,175,000	92.1
1996	7,553,000	10,252,000	2,699,000	73.7	2,810,000	96.0
1995	6,014,000	9,712,000	3,698,000	61.9	2,667,000	138.7
1993	5,142,000	8,921,000	3,779,000	57.6	2,428,000	155.6
1992	4,784,000	8,706,000	3,922,000	55.0	2,032,000	193.0
Boston Teachers						
2002	984,000	1,756,000	772,000	56.0	370,000	208.6
2001	918,000	1,502,000	583,000	61.1	304,000	191.8
2000	860,000	1,381,000	521,000	62.3	285,000	182.8
1998	699,000	1,219,000	520,000	57.3	285,000	182.5
1996	549,000	1,025,000	476,000	53.6	274,000	173.7
1995	438,000	833,000	395,000	52.6	232,000	170.3
1993	370,000	743,000	373,000	49.8	206,000	181.1
1992	342,000	759,000	417,000	45.1	184,000	226.6

## 8. INDIVIDUAL FUND DEFICITS

In order to resolve the deficits in the budgeted funds, the Comptroller has recommended authorization of transfers from other budgeted funds with surplus balances or a plan of fund consolidation. If these changes are adopted by the Legislature, the deficiencies will be resolved. For the Non-Budgeted Special Revenue Funds, the Comptroller has recommended similar budgeted transfers to subsidize and resolve the deficits or their consolidation into budgeted funds. Such steps require legislative action.

The Capital Projects Fund deficit reported in the following table reflects the time lag between capital expenditures and the sale of related bonds. This amount includes \$285,250,000 of forward funding payments to the MBTA yet to be financed. To arrive at the combined capital projects fund balance, this individual fund deficit is offset by capital funds earmarked in the Central Artery Statewide Road and Bridge Infrastructure Fund of \$1,017,730,000, and \$18,749,000 in reserve for the other Capital Projects Funds.

The following Budgeted, Non-Budgeted Special Revenue and Capital Projects Funds are included in the combined totals and have individual fund deficits at June 30, 2002, as follows (amounts in thousands):

Budgeted Funds:	
Highway Fund.....	\$ 437,529
Local Aid Fund.....	1,119,125
Environmental Challenge Fund.....	797
Toxics Use Reduction Fund.....	8,416
Environmental Permitting and Compliance Assurance Fund.....	50,872
Underground Storage Tank Petroleum Product Cleanup Fund.....	19,360
Environmental Law Enforcement Fund.....	4,482
Public Access Fund.....	414
Harbors and Inland Waters Maintenance Fund.....	6,244
Marine Fisheries Fund.....	6,498
Watershed Management Fund.....	2,104
Low-Level Radioactive Waste Management Fund.....	433
Clean Air Act Compliance Fund.....	1,700
Second Century Fund.....	2,819
Child Support Penalty Fee Fund.....	498
Antitrust Enforcement Fund.....	2,901
Victim and Witness Assistance Fund.....	13,323
Intercity Bus Capital Assistance Fund.....	5,562
Leo J. Martin Recreational Fund.....	240
Children's and Seniors' Health Care Assistance Fund.....	60,784
Transitional Aid to Needy Families Fund.....	7,618
Social Services Program Fund.....	2,314
Local Consumer Inspection Fund.....	574
Total Budgeted Funds.....	<u>1,754,607</u>
Non-Budgeted Special Revenue:	
Other:	
Government Land Bank Fund.....	35,097
Mosquito and Greenhead Fly Control Fund.....	1,104
Motor Vehicle Safety Inspection Trust Fund.....	25,056
Total Non - Budgeted Funds.....	<u>61,257</u>
Capital Projects:	
General Capital Projects Fund.....	196,046
Capital Investment Trust Fund.....	957
Capital Improvements and Investment Trust Fund.....	29,858
Convention and Exhibition Center Capital Fund.....	277,192
Capital Expenditure Reserve Fund.....	192,874
Highway Capital Projects Fund.....	298,060
Local Capital Projects Fund.....	11,194
Total Capital Projects Funds.....	<u>1,006,181</u>
Total .....	<u>\$ 2,822,045</u>

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**9. MEDICAID COSTS**

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The Commonwealth provides medical care for low-income, elderly and other residents who qualify for such assistance under the federally-sponsored Medical Assistance Program (Medicaid). The Commonwealth pays the full cost of care and is reimbursed by the federal government for 50% of that cost. For the fiscal year ended June 30, 2002, the General Fund, Tobacco Settlement Fund and Children's and Seniors' Health Fund include \$5,259,275,000 in expenditures for Medicaid claims processed for payment.

The combined financial statements – statutory basis include Medicaid claims processed but unpaid at June 30, 2002, as accounts payable of approximately \$50,525,000. The Commonwealth estimates its total liability, as determined in accordance with GAAP, at \$718,500,000 including the amounts reported as accounts payable at June 30, 2002. This amount includes estimates of both the cost of care provided as of June 30, 2002, for which claims have not been processed and other costs. Of this amount, \$305,100,000 is expected to be reimbursed by the federal government.

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**10. RETIREMENT SYSTEMS**

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**A. Primary Government**

The Commonwealth is statutorily responsible for the pension benefits for Commonwealth employees (members of the State Employees' Retirement System) and for teachers of the cities, towns, regional school districts throughout the Commonwealth and Quincy College (members of the Teachers' Retirement System, except for teachers in the Boston public schools, who are members of the State-Boston Retirement System but whose pensions are also the responsibility of the Commonwealth). The members of the retirement systems do not participate in the Social Security System.

The Commonwealth has assumed responsibility for payment of cost-of-living adjustments (COLA) for the separate (non-teacher) retirement systems of its cities, towns and counties, granted in fiscal year 1997 and prior. The Commonwealth is statutorily required to have an actuarial valuation once every three years and every two years on a GAAP basis.

**B. Plan Descriptions**

The *State Employees' Retirement System* (SERS) is a single employer defined benefit public employee retirement system (PERS), covering substantially all employees of the Commonwealth and certain employees of the independent authorities and agencies, including the state police officers at the Massachusetts Port Authority and the Massachusetts Turnpike Authority. The SERS is administered by the Commonwealth and is part of the reporting entity and does not issue a stand alone financial report.

The *Teachers' Retirement System* (TRS) is an agent multiple employer defined benefit PERS. The Commonwealth is a non-employer contributor and is responsible for all contributions and future benefit requirements of the TRS. The TRS covers certified teachers in cities (except the City of Boston), towns, regional school districts and Quincy College. The TRS is administered by the Commonwealth and is part of the reporting entity and does not issue a stand-alone financial report.

Certain Commonwealth employees and current retirees employed prior to the establishment of the State Employees' Retirement System are covered on a "pay-as-you-go" basis. During the year ended June 30, 2002, the Commonwealth's pension expenditure included payments totaling \$17,374,000 to current retirees employed prior to the establishment of the current plans and the non-contributory plans.

The *State – Boston Retirement System* (SBRS) is a hybrid multiple employer defined benefit PERS. SBRS provides pension benefits to all full-time employees upon commencement of employment with any of the various government agencies covered by SBRS. The Commonwealth is a non-employer contributor and is only responsible for the actual cost of pension benefits for SBRS participants who serve in the City of Boston's School Department in a teaching capacity (BTRS). The cost of pension benefits of the other participants is the responsibility of the City of Boston. SBRS is not administered by the Commonwealth and is not part of the reporting entity and a stand-alone financial report is not available.

The policy for post-retirement benefit increases for all retirees of the SERS, TRS, BTRS and COLA of local governments is subject to legislative approval.

Membership – Membership in SERS, TRS and BTRS as of January 1, 2002, the date of the most recent valuation, is as follows:

	<u>SERS</u>	<u>TRS</u>	<u>BTRS</u>
Retirees and beneficiaries			
currently receiving benefits.....	44,313	34,970	2,593
Terminated employees entitled to			
benefits but not yet receiving them....	2,842	N/A	128
Subtotal.....	<u>47,155</u>	<u>34,970</u>	<u>2,721</u>
Current employees:			
Vested*.....	45,566	46,637	3,621
Non-vested*.....	42,952	42,790	2,656
Subtotal.....	<u>88,518</u>	<u>89,427</u>	<u>6,277</u>
Total.....	<u>135,673</u>	<u>124,397</u>	<u>8,998</u>

\* Estimated

### C. Benefit Provisions

Massachusetts General Laws established uniform benefit and contribution requirements for all contributory PERS. These requirements provide for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Benefit payments are based upon a member's age, length of creditable service, and group creditable service, and group classification. The authority for amending these provisions is with the Legislature.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65; for certain hazardous duty and public safety positions, normal retirement is at age 55.

**D. Funding Progress**

During FY01, the Legislature passed Chapter 114 of the Acts of 2000, which modified Chapter 32 of the General Laws. This modification became effective on July 1, 2001. In Chapter 114, teachers who are members of the State Teachers Retirement System, or teachers who are members of the State – Boston Retirement System before 1975, who resigned or took an unpaid leave of absence because of maternity leave will be allowed to “buy back” into the fund up to a maximum of four years. The member must pay the amount determined by the Retirement Board by December 31, 2001 to qualify, as long as the member has worked longer than ten years. If the member completes ten years of service after December 31, 2001, payment can be made within 18 months of completion of ten years of service. In addition, the law creates a superannuation retirement benefit program for all teachers hired on or after July 1, 2001. This program has a contribution rate of 11 percent of regular compensation. To be eligible for the alternative benefit at retirement, the teacher must have completed thirty years of eligible service. All previous members may elect to participate in the program, as long as they participate with the equivalent of a minimum of five years of employee contributions at the new rate. If the member retires before five years, the teacher must pay into the system, the amount that would have been paid in one lump sum, or in installments as the Board may prescribe. The alternative benefit is calculated as the percentage of average compensation determined under the current formula increased by 2% of the average annual compensation for each full year of service in excess of 24 years. The election to participate is irrevocable.

The SERS, TRS and BTRS actuarial determined contributions were computed as part of the actuarial valuation as of January 1, 2001. These assumptions remained the same as of the January 1, 2002 valuation. The Commonwealth has revised actuarial assumptions used in the calculation of contribution requirements and Unfunded Actuarial Liability (UAL.) The revised actuarial assumptions are the result of an experience study commissioned by the Commonwealth for the period 1995 to 1999 concluded in FY01. The Commonwealth has fully phased-in its UAL from a market value of assets to an actuarial valuation of assets. The actuarial value of assets used to derive the UAL from January 1, 1990 to January 1, 1996 reflects the market value of plan assets. To reduce the potential volatility of the market value approach, in the January 1, 1998 actuarial valuation, the Commonwealth began implementing a method that averages realized and unrealized asset gains and losses over 5 years.

Therefore, gains and losses in a given year are recognized over a five-year period. On January 1, 1998, the Commonwealth began phasing in this methodology and used 97% of market value as the actuarial value of assets. This methodology was fully phased in as of January 1, 2001. The most significant assumptions for the actuarial valuation are investment return and rate of salary increase. The valuation as of January 1, 2002 assumes an investment return rate of 8.25% per year. The salary increase is based on years of service and it varies by age and service groups. Other assumptions include mortality, disability, turnover and retirement rates, along with cost of living increase.

The following table presents the schedule of funding progress as presented in the seven most recent actuarial valuations at the dates indicated (amounts in thousands):

Actuarial Valuation as of January 1	Annual Required Contribution (ARC)	Interest on NPO	Amortization of NPO	Pension Cost	Actual Contribution Made	Net Pension (Obligation) Asset (NPO)	% of ARC Contributed	% of Pension Cost Contributed
State Employees' Retirement System								
2002	\$ 215,795	\$ (111,506)	\$ (92,152)	\$ 196,441	\$ 266,660	\$ 1,421,811	124 %	136 %
2001	275,204	(109,731)	(133,387)	298,861	320,381	1,351,592	116	107
2000	352,084	(108,400)	107,190	350,873	367,000	1,330,071	104	105
1999	319,454	(103,188)	98,556	314,822	378,000	1,313,944	118	120
1998	261,255	(83,446)	77,180	254,989	494,289	1,250,766	189	194
1997	246,037	(65,478)	41,889	222,448	463,590	1,011,466	188	208
1996	232,158	(46,918)	29,523	214,763	433,114	770,324	187	202
1995	249,640	(31,639)	19,614	237,615	417,361	551,973	167	176
1994	266,564	(18,448)	9,152	257,268	398,900	372,227	150	155
1993	243,587	(5,539)	2,694	240,742	402,100	230,595	165	167
1992	252,687	136	(65)	252,758	323,700	69,237	128	128
Teachers' Retirement System								
2002	411,225	(82,377)	(68,079)	396,927	410,143	1,011,729	100	103
2001	475,053	(78,498)	(95,421)	491,976	539,000	998,513	113	110
2000	480,873	(79,487)	78,599	479,985	468,000	951,489	97	98
1999	373,777	(70,312)	67,155	370,620	481,826	963,474	129	130
1998	315,474	(59,126)	54,686	311,034	446,619	852,267	142	144
1997	245,426	(44,832)	28,681	229,275	418,519	716,682	171	183
1996	232,403	(30,311)	19,073	221,165	392,003	527,439	169	177
1995	277,343	(24,002)	14,880	268,221	342,441	356,601	123	128
1994	247,460	(15,975)	7,925	239,410	322,100	282,381	130	135
1993	225,838	(9,946)	4,837	220,729	296,100	199,691	131	134
1992	223,041	(4,996)	2,384	220,429	282,300	124,320	127	128
Boston Teachers Retirement System								
2002	940,003	(67)	(56)	93,992	51,833	41,343	6	55
2001	66,820	1,542	1,875	66,488	86,000	815	129	129
2000	58,266	448	(443)	58,271	45,000	18,697	77	77
1999	53,453	(989)	944	53,409	36,000	5,426	67	67
1998	48,795	(2,114)	1,995	48,636	35,000	11,983	72	72
1997	34,621	(2,082)	1,332	33,871	35,000	25,619	101	103
1996	32,908	(1,860)	1,171	32,219	34,822	24,490	106	108
1995	28,168	(1,816)	1,126	27,478	28,000	21,887	99	102
1994	22,448	(1,216)	603	21,835	28,000	21,365	125	128
1993	20,463	(650)	316	20,129	27,200	15,200	133	135
1992	26,530	(634)	303	26,199	26,400	8,129	100	101

#### E. Pension Actuarial Valuation

The Commonwealth's pension actuarial valuation was performed as of January 1, 2002 pursuant to Chapter 32 of the General Laws of the Commonwealth of Massachusetts and based on the plan provisions at that time.

#### F. Contributions Required and Contributions Made

The Commonwealth was financially responsible for the COLA granted to participants in the 104 retirement systems of cities, towns and counties in fiscal year 1997 and prior fiscal years. Chapter 17 of the Acts of 1997 effective for fiscal year 1998 transferred the responsibility for funding COLAs for separate (non-teacher) retirement systems of cities and towns to the respective system. Any future COLA granted by the Legislature to employees of these plans will be the responsibility of the individual system. The individual employer governments are also responsible for the basic pension benefits. The retirement systems are not administered by the Commonwealth and are not part of the reporting entity. The actuarial accrued liability for COLA as of January 1, 2002 was \$730,000,000.

The retirement systems' funding policies have been established by Chapter 32 of the Massachusetts General Laws. The Legislature has the authority to amend these policies. The annuity portion of the SERS, TRS and BTRS retirement allowance is funded by employees, who contribute a percentage of their regular compensation – 5% for those hired before January 1, 1975, 7% for those hired from January 1, 1975, through December 31, 1983 and 8% for those hired on or after January 1, 1984, plus an additional 2% of compensation above \$30,000 per year for those hired on or after January 1, 1979. Regular employees and state police hired after June 30, 1996 are required to contribute 9% and 12% respectively of their regular compensation plus an additional 2% of compensation above \$30,000 per year. Costs of administering the plan are funded out of plan assets.

The Commonwealth's contribution for the pension benefit portion of the retirement allowance of SERS and TRS and required payments to cover BTRS and COLA contributions were originally established on a "pay-as-you-go" basis. As a result, amounts were appropriated each year to pay current benefits, without a systematic provision to fully fund future liabilities already incurred. Beginning in fiscal year 1988, the Commonwealth enacted the Pension Reform Act of 1987 and addressed the unfunded liability of SERS, TRS and its participation in SBRS and its COLA obligation. Chapter 32, Section 22C of General Laws enacted in 1998 calls for the payment of normal cost plus an amortization payment of UAL such that the UAL is reduced to zero by June 30, 2018.

This legislation also directs the Secretary of Administration and Finance to prepare a funding schedule to meet these requirements, and to update this funding schedule every three years on the basis of new actuarial valuation reports prepared under the Secretary's direction. Any such schedule is subject to legislative approval. If a schedule is not so approved, payments are to be made in accordance with the most recently approved schedule. The current legislatively approved funding schedule, a valuation as of January 1, 1999, was filed by the Secretary of Administration and Finance on March 1, 2000 has been deemed approved by the Legislature. Under the current schedule proposed on March 1, 2002, the amortization payments are designed to eliminate the unfunded liability by fiscal year 2023. Contributions by the Commonwealth of \$795,782,000 were made during the fiscal year ended June 30, 2002. Of this amount \$49,772,000 represents payments for COLA granted to participants in retirement systems of cities, towns and counties.

GAAP requires that pension expenditures (costs) be based on an acceptable actuarial cost method and that they be not less than:

- Normal cost plus amortization of net pension obligation cost
- Interest and amortization on any unfunded prior service costs

On May 17, 2002, the Governor signed into law a bill that extended the Commonwealth's pension funding schedule to 2023, and reduced the FY02 pension appropriation.

The funding schedule discussed above follows an acceptable actuarial funding methodology to compute normal cost and the unfunded accrued actuarial liability.

The following table presents the schedule of employer contributions (amounts in thousands):

Actuarial Valuation as of January 1	Annual Required Contribution (ARC)	Interest on NPO	Amortization of NPO	Pension Cost	Actual Contribution Made	Net Pension (Obligation) Asset (NPO)	% of ARC Contributed	% of Pension Cost Contributed
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1995	249,640	(31,639)	19,614	237,615	417,361	551,973	167	176
1994	266,564	(18,448)	9,152	257,268	398,900	372,227	150	155
1993	243,587	(5,539)	2,694	240,742	402,100	230,595	165	167
1992	252,687	136	(65)	252,758	323,700	69,237	128	128
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2001	475,053	(78,498)	(95,421)	491,976	539,000	998,513	113	110
2000	480,873	(79,487)	78,599	479,985	468,000	951,489	97	98
1999	373,777	(70,312)	67,155	370,620	481,826	963,474	129	130
1998	315,474	(59,126)	54,686	311,034	446,619	852,267	142	144
1997	245,426	(44,832)	28,681	229,275	418,519	716,682	171	183
1996	232,403	(30,311)	19,073	221,165	392,003	527,439	169	177
1995	277,343	(24,002)	14,880	268,221	342,441	356,601	123	128
1994	247,460	(15,975)	7,925	239,410	322,100	282,381	130	135
1993	225,838	(9,946)	4,837	220,729	296,100	199,691	131	134
1992	223,041	(4,996)	2,384	220,429	282,300	124,320	127	128
Boston Teachers Retirement System								
2002	940,003	(67)	(56)	93,992	51,833	41,343	6	55
2001	66,820	1,542	1,875	66,488	86,000	815	129	129
2000	58,266	448	(443)	58,271	45,000	18,697	77	77
1999	53,453	(989)	944	53,409	36,000	5,426	67	67
1998	48,795	(2,114)	1,995	48,636	35,000	11,983	72	72
1997	34,621	(2,082)	1,332	33,871	35,000	25,619	101	103
1996	32,908	(1,860)	1,171	32,219	34,822	24,490	106	108
1995	28,168	(1,816)	1,126	27,478	28,000	21,887	99	102
1994	22,448	(1,216)	603	21,835	28,000	21,365	125	128
1993	20,463	(650)	316	20,129	27,200	15,200	133	135
1992	26,530	(634)	303	26,199	26,400	8,129	100	101

The total contributions required for SERS, TRS and SBRS are based on the entry age normal cost method using the same actuarial assumptions used to compute the net pension obligation.

**F. *Post-retirement Health Care and Life Insurance Benefits***

In addition to providing pension benefits, under Chapter 32A of the Massachusetts General Laws, the Commonwealth is required to provide certain health care and life insurance benefits for retired employees of the Commonwealth, housing authorities, redevelopment authorities, and certain other governmental agencies. Substantially all of the Commonwealth's employees may become eligible for these benefits if they reach retirement age while working for the Commonwealth. Eligible retirees are required to contribute a specified percentage of the health care benefit costs which is comparable to contributions required from employees. The Commonwealth is reimbursed for the cost of benefits to retirees of the eligible authorities and non-state agencies. The Commonwealth recognizes its share of the costs of providing these benefits when paid. These payments totaled approximately \$236,041,000 for the fiscal year ended June 30, 2002. There are approximately 49,900 participants eligible to receive benefits at June 30, 2002.

## **11. COMMITMENTS**

**A. *Regional Transit Authorities***

Under Chapter 161B of the General Laws, the Commonwealth is obligated to provide annual subsidies to certain regional transit authorities for contract assistance, debt service assistance and their net cost of service deficiencies. The Commonwealth recovers a portion of these payments through assessments to the cities and towns served. During FY02, net expenditures were \$17,602,000. In addition, for FY02, the Commonwealth appropriated \$18,423,000 to the regional transit authorities to cover net costs of service for the calendar year ended December 31, 2001.

**B. *MBTA and Other Authorities***

The Commonwealth continues to guarantee certain Massachusetts Bay Transportation Authority (MBTA) debt outstanding at June 30, 2002, totaling \$3,264,345,000. The amount represents the residual balance of Commonwealth guaranteed debt that existed prior to the forward funding.

The MBTA's forward funding legislation provides for the MBTA to issue general obligation, revenue or other debt secured by a pledge or conveyance of all or a portion of revenues, receipts or other assets or funds of the MBTA. This new debt is not backed by the full faith and credit of the Commonwealth. Finally, the MBTA will not receive any principal or interest subsidies from the Commonwealth for the repayment of either the prior debt or new debt of the MBTA beyond the pledged revenues.

In addition to the MBTA, the Commonwealth guarantees debt of a number of Public Authorities. At June 30, 2002, the aggregate outstanding debt for which the Commonwealth is obligated to provide contract assistance support totaled approximately \$169,312,000 long-term and \$96,856,000 short-term.

In addition, the Commonwealth guarantees the debt of certain local governments and public higher education building authorities but does not provide contract assistance. The guaranteed long-term debt outstanding at June 30, 2002 was approximately \$381,794,000.

At June 30, 2002, the Commonwealth had commitments of approximately \$1,657,409,000 related to ongoing construction projects. The majority relate to construction funding for the Central Artery/Tunnel Project. The Central Artery/Tunnel Project continues to anticipate federal participation and payments from the Massachusetts Turnpike Authority (MTA) and the Massachusetts Port Authority (MassPort).

On August 17, 2000, the Route 3 North Transportation Improvements Association issued Commonwealth of Massachusetts Lease Revenue Bonds, Series 2000, in the aggregate principal amount of \$394,305,000, payable from lease payments to be appropriated annually by the Commonwealth through fiscal 2033. On April 26, 2002, the Association sold \$18,700,000, followed a week later on May 2, 2002 by \$294,000,000 of Variable Rate Demand Bonds, both of which were used to refund a portion of the original Series 2000 bonds and to fund additional expenses of the project. The Commonwealth's cash flow commitment due to the refunding will be reduced by \$6.1 million for the life of the bonds plus any amount remaining due to cost savings at time of the completion of construction.

**C. *Saltonstall Building***

On July 19, 2000, after reviewing proposals received from various development teams to redevelop the Saltonstall State Office Building, the Governor filed legislation that would authorize the Massachusetts Development Finance Agency (MDFA) to undertake the area's redevelopment. The provisions of the Governor's bill were added to the bond authorization legislation approved August 10, 2000 relating to preservation and management of the Commonwealth's real property assets. Under the provisions relating to the Saltonstall Building, the building is to be leased by the MDFA for a lease term of up to 50 years, with extension terms permitted for an aggregate of 30 more years). The MDFA will renovate the building and lease half of it back to the Commonwealth for office space and related parking (for a comparable lease term). The remainder of the building is to be redeveloped as private office space, as well as private housing units and retail establishments. Upon completion, the Commonwealth will be obligated for future lease payments for the space it rents.

**D. *Central Artery / Tunnel Project***

The Central Artery / Tunnel Project is the largest single component of the Commonwealth's capital program according to the finance plan filed as of October 1, 2002. The current cost estimate is \$14.625 billion, an increase of \$150,000,000 from the October 1, 2001 plan. The largest components of the increase were related to the disposition of the project's headquarters. Both plans include a maximum obligation of \$8.549 billion from the federal government. Project milestones have been reviewed to include a nine-month extension to the I-90 opening and a four-month extension to the I-93 opening. The I-90 opening may be delayed further due to a major leak in the Fort Point Channel Tunnel discovered in October 2001. The finance plan is currently under review.

To make up for the \$150,000,000 increase, the Governor filed a bill to raise the bonding authority for the project in place under Chapter 87 of the Acts of 2000 from \$1.350 billion to \$1.500 billion. The increase, once bonded, will be reported within the Central Artery Statewide Road and Bridge Infrastructure Fund.

In connection with the Central Artery / Tunnel Project, on May 8, 2000, the State Treasurer's office was advised that the staff of the Securities and Exchange Commission (SEC) is conducting a formal investigation in the matter of

“Certain Municipal Securities/Massachusetts Central Artery (B-1610.)” This is pursuant to a formal order of private investigation issued by the SEC. At this time no information is available about the likelihood of the loss.

## 12. CONTINGENCIES

A number of lawsuits are pending or threatened against the Commonwealth, which arise from the ordinary course of operations. These include claims for property damage and personal injury, breaches of contract, condemnation proceedings and other alleged violations of law. For those cases in which it is probable that a loss will be incurred and the amount of the potential judgment can be reasonably estimated or a settlement or judgment has been reached but not paid, the Attorney General estimates the liability to be approximately \$41,500,000 to be paid during FY03. No accrual has been made for this amount in the combined financial statements – statutory basis.

Under the statutory basis of accounting, workers’ compensation costs are recognized when claims are presented and paid. The Commonwealth’s outstanding liability for such claims at June 30, 2002 is estimated to be \$267,600,000, of which approximately \$39,400,000 is expected to be paid during FY03. No accrual has been made for these amounts in the combined financial statements – statutory basis.

The Commonwealth receives significant financial assistance from the federal government. Entitlement to these resources is generally contingent upon compliance with terms and conditions of the grant or reimbursement agreements and with applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all federal financial assistance is subject to financial and compliance audits. Any disallowances become liabilities of the fund which received the assistance. At June 30, 2002, the Commonwealth estimated that liabilities, if any, which may result from such audits are not material.

Chapter 200A of the Massachusetts General Laws, the Commonwealth’s Abandoned Property Law, requires deposit of certain unclaimed assets into a managed Fiduciary Fund. These unclaimed assets, less \$4,987,000, which is expected to be reclaimed and paid in fiscal year 2003, are to be remitted to the General Fund each June 30, where it is included as miscellaneous revenue. Amounts remitted during FY02 totaled approximately \$87,757,000. Since inception, approximately \$1,056,364,000 has been remitted. A portion of this amount represents a contingency, because claims for refunds can be made by the owners of the property.

### A. Tobacco Settlement

A Master Settlement Agreement (MSA) was executed in November of 1998 between five tobacco companies and 46 states, including the Commonwealth. The MSA called for, among other things, annual payments to the states in perpetuity. These payments have been estimated to total more than \$200 billion over the first 25 years, subject to various offsets, reductions, and adjustments.

In FY02, the Commonwealth received approximately \$304,518,000 or 91% of the estimated amounts shown in the agreement. Of that amount approximately \$152,259,000 was transferred to the Tobacco Settlement Fund, a budgeted fund, plus an additional \$2,469,000 in interest earnings were transferred. The remainder was deposited into the Health Care Security Trust Fund, a non-budgeted fund. The amount transferred to the Tobacco Settlement Fund was

increased in FY02 to 50% of the settlements received during the year due to changes made as part of the FY02 General Appropriation Act. In addition, \$60,000,000 was transferred during the year from the funds received previously under the settlement to the General fund due to legislation passed in June 2002. However, the majority of expenditures from the fund this year were for Health and Human Services, Elder Affairs and Medicaid costs.

The amounts that might be payable, if any, by the Commonwealth for legal costs relating to the tobacco litigation cannot be determined at this time. The outside attorneys for the Commonwealth were awarded approximately \$775,000,000 in fees to be paid over time by the tobacco companies and, therefore, were not to be paid out of the Commonwealth's award. The outside attorneys have notified the Attorney General that they reserve their right to submit a claim to the Commonwealth for the difference between the \$775,000,000 and 25 percent of the Commonwealth's settlement payments.

### 13. NON-TAX REVENUE INITIATIVES

Chapter 653, Acts of 1989, amended Chapter 29 of the Massachusetts General Laws by adding Sections 29D and 29E, which authorize certain non-tax revenue initiatives and require reporting thereon, as follows.

#### A. Debt Collection

Pursuant to Massachusetts General Laws Chapter 29, Section 29D, Chapter 7A Section 8, allows private debt collection agencies to engage in debt collection for the Commonwealth. The fees paid are contingency based from the proceeds collected. Collections and fees paid during FY02 were:

<u>Department Collectors</u>	<u>Collections</u>	<u>Fees</u>
Allen Daniel Associates.....	\$ 367,763	\$ 67,321
Collection Company of America.....	1,049,036	250,541
Delta Management Associates, Inc.....	291,993	57,880
Glenn Associates, Inc.....	619,737	119,376
Gragil Associates, Inc.....	88,083	18,170
NCO Financial Systems, Inc.....	1,511	59
OSI Collection Services, Inc.....	912,376	187,350
Walker Associates Inc.....	441,279	62,023
Windham Professionals.....	1,404,053	323,410
Total.....	<u>\$ 5,175,831</u>	<u>\$ 1,086,130</u>

Under the same program, the following amounts were collected and fees paid for institutions of higher education:

<u>Department Collectors</u>	<u>Collections</u>	<u>Fees</u>
Allen Daniel Associates.....	\$ 344,710	\$ 62,800
Collection Company of America.....	762,446	188,264
Delta Management Associates, Inc....	283,842	56,260
Glenn Associates, Inc.....	619,737	119,376
Gragil Associates, Inc.....	506	126
NCO Financial Systems, Inc.....	1,511	59
OSI Collection Services, Inc.....	418,679	84,129
Windham Professionals.....	75,874	17,195
Total.....	<u>\$ 2,507,305</u>	<u>\$ 528,209</u>

**B. Revenue Maximization**

Pursuant to Massachusetts General Law Chapter 29 Section 29E, contractors were engaged on a contingent fee basis to assist several of the Commonwealth's departments in the identification and collection of federal and other revenues. During FY02, approximately \$171,715,000 was collected through such efforts. After contractor payments of \$35,044,000 the Commonwealth received \$136,671,000. Included in these Revenue Maximization numbers is \$26,583,000 for administrative services provided by the University of Massachusetts Medical School to support efficiencies associated with the Department of Medical Assistance.

**C. Revenue Optimization**

Pursuant to Chapter 159 Section 333 of the FY01 Budget, contractors were engaged on a contingent fee basis to assist several of the Commonwealth's departments in the identification and collection of federal and other non-tax revenues. This program differs from the Revenue Maximization Program in that it authorized departments to receive a department incentive distribution if they are successful in generating new revenue and additional fiscal program goals are met. During FY02, approximately \$7,567,000 was collected through such efforts. After contractor payments of \$405,000 and other expenses of approximately \$517,000, the Commonwealth reported a net revenue of approximately \$6,646,000 in the General Fund. Although the Revenue Optimization Campaign did exceed the department incentive allocation goals the FY02 department incentive appropriation was not funded.

**D. Cost Avoidance**

Pursuant to Chapter 159 of Section 360 of the FY01 Budget, the Office of the State Comptroller was authorized to engage private vendors for the purpose of identification and pursuit of cost saving/avoidance opportunities. In FY02, estimated total cost avoidance based on actuarial calculations was approximately \$66,529,000 and fees paid to consultants were approximately \$2,235,000. The Commonwealth had a total cost saving/avoidance of approximately \$64,295,000.

**E. Intercept**

Intercept is authorized by Massachusetts General Laws. Intercept is an automated process that offsets Commonwealth payments to delinquent receivables that have been approved by the Office of the State Comptroller. During FY02 the Intercept process was enhanced by using the web-based technology to accept debt files from institutions of higher education. In FY02, the Commonwealth collected approximately \$3,654,000 of which approximately \$798,000 was on behalf of institutions of higher education.

**F. Utility Audits**

Pursuant to Massachusetts General Law Chapter 29 §29E contractors were engaged on a contingent fee basis to provide telecommunication service audits to eligible entities of the Commonwealth. In FY02, approximately \$371,000 in overcharges were successfully identified and recouped, of which approximately \$125,000 was paid to contractors.

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**14. SUBSEQUENT EVENTS**

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On July 31, 2002, the FY03 General Appropriation Act was passed. The budget was based on a tax revenue estimate of \$14.0 billion net of the amounts due to the MBTA, plus \$1.2 billion in estimated tax increases. It also includes a tax amnesty program, which is expected to increase revenue collections by an estimated \$43 million. Appropriations total \$23 billion, exclusive of \$350 million of Medicaid related health care spending that was moved off-budget. After accounting for this spending, the FY03 General Appropriation Act increases spending by 2% over FY02 spending. The Act eliminates eligibility for 50,000 Medicaid patients as of April 1, 2003. It also uses 100% of the tobacco settlement payment to be received in FY03 for current operations.

FY03 budgeted tax revenues for the quarter ending September 30, 2002 are an estimated \$86 million behind the same quarter in FY02. On October 10, 2002, the Governor invoked her authority under Massachusetts General Laws, Chapter 29, Section 9c, cutting \$202 million from budgeted spending.



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# ***Combining and Individual Fund Financial Statements - Statutory Basis***



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# *Individual Budgeted Funds*

## **MAJOR BUDGETED FUNDS:**

***The General Fund*** - The General Fund is the Commonwealth's primary Governmental Fund. All governmental activities not specifically directed to another fund are accounted for in the General Fund. As a result, most budgeted expenditures of the Executive secretariats, the Legislature, constitutional offices, Judiciary, institutions of higher education and independent commissions are paid for from the General Fund. It similarly receives a significant portion of sales, individual income and corporate taxes, and the full amount of most other governmental taxes.

***Highway Fund*** – to account for highway user taxes including the gas tax and fees; used to finance highway maintenance and safety services, and provide matching funds for federally sponsored highway projects as required.

***Infrastructure Fund (Subfund of Highway Fund)*** - details specific components of revenue and expenditure related to the Highway Fund segregated per instructions in Section 2 O of Chapter 29 of the General Laws.

***Local Aid Fund*** - to account for revenue from sales, income, and other corporate taxes and lottery profits, which have been earmarked for distribution to cities and towns or are used to finance programs that benefit local communities.

***The Commonwealth Stabilization Fund*** – to account for amounts calculated in accordance with state finance law and maintain a reserve to enhance the Commonwealth's fiscal stability.

***Administrative Control Funds*** - account for the revenues generated by certain administrative functions of government, for which the Legislature has required that separate funds be established. These funds include:

***Tax Reduction Fund*** – to account for the maintenance of a reserve, which shall be used only to reduce personal income taxes.

***Intragovernmental Service Fund*** – to account for the charges of any state agency for services provided by another state agency, for example, charges levied by the public employee retirement administration for worker's compensation chargeback.

***Revenue Maximization Fund*** - to account for increased collections as a result of special initiatives; these revenues become available for expenditure by the various state agencies.

***Transitional Escrow Fund*** – to account for funds set aside to be held until December 31, 1999 per section 46 of Chapter 68 of the Acts of 1999, and subsequently until November 30, 2001 under Chapter 88, Section 36 of the Acts of 2001 as a reserve.

## **BUDGETED ENVIRONMENTAL FUNDS:**

These funds account for a variety of revenues, which finance programs to preserve, protect and enhance the environment. These funds include:

***Natural Heritage and Endangered Species Fund*** - to account for revenues from public and private sources and/or the federal government as reimbursements, grants, donations or other receipts; used to acquire by purchase, lease, easement or license land critical to nongame wildlife and endangered species for purposes of protecting and enhancing nongame wildlife.

***Inland Fisheries and Game Fund*** - to account for revenues from license and permit fees for inland fishing, hunting, trapping, and sporting licenses and revenue producing stamps or the sales of land, rights and properties, gifts, interest, and federal grant reimbursements; used for developing, maintaining and operating the division of fisheries.

***Environmental Challenge Fund*** – to account for inappropriate disposal of hazardous waste and other environmental infractions; used for cleanup, control or response actions for oil and hazardous materials, and to reduce the production of hazardous waste.

***Toxics Use Reduction Fund*** – to account for the fees, penalties, and other financial charges collected by the Toxic Use Reduction Institute including grants or gifts collected. Appropriations are for the specific purpose of cleaning up and reducing toxic waste.

***Clean Environment Fund*** - to account for programs for recycling compost, solid waste source reduction and other

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environmental programs, which are financed through unclaimed bottle deposits escheated to the Commonwealth.

***Environmental Permitting and Compliance Assurance Fund*** - to account for revenues from the issuance of permits for the removal of hazardous materials and certain other fees; used to fund the cost of monitoring, discharge sampling and analysis, inspection, technical assistance, and enforcement activities necessary to ensure compliance by persons holding permits.

***Underground Storage Tank Petroleum Product Cleanup Fund*** – to account for fees, penalties, grants, gifts or other contributions used to provide reimbursements for cleanup and other expenditures incurred as a result of damage caused by underground storage tanks and systems.

***Environmental Law Enforcement Fund*** - to account for revenues from certain gas taxes, grants, and revenue from law enforcement coverage details throughout the Commonwealth; used for operating the division of law enforcement.

***Public Access Fund*** - to account for revenues from certain gas taxes and federal reimbursements used for the cost of acquisition, construction, maintenance operation and improvement of public access to state waterways.

***Harbors and Inland Waters Maintenance Fund*** – to account for certain gas taxes, fines, permits and federal reimbursements used for maintenance, dredging and cleaning of harbors, inland waters and great ponds.

***Marine Fisheries Fund*** – to account for revenues from certain gas taxes, licenses, and fees; used to manage the division of marine fisheries.

***Watershed Management Fund*** - to account for revenues from the sale of wood products harvested on watershed lands, and assessments from the Massachusetts Water Resource Authority; used to maintain and operate the MDC Watershed Division.

***Low Level Radioactive Waste Management Fund*** – to account for assessments on persons licensed or registered to receive, possess, use, transfer or acquire radioactive material; used for the expenses of the Low Level Radioactive Waste Management Board to carry out its duties.

***Asbestos Cost Recovery Fund*** – to account for revenues from court judgments/settlements relative to the removal of asbestos; used for operations, maintenance, encapsulation and removal of asbestos.

***Clean Air Act Compliance Fund*** - to account for revenues from permit applications and grants; used for the implementation, administration, monitoring and analysis of permitting compliance and enforcement of technical assistance programs.

***Solid Waste Disposal Fund*** – to account for monies received relative to solid waste disposal including assessments from cities and towns to be appropriated for the purpose of management, maintenance and operation of solid waste disposal facilities.

***Second Century Fund*** - to account for fees or charges for use of the Commonwealth's system of parks, forests or other natural resources subject to the oversight of the department of environmental management pursuant to section two of chapter twenty-one; and expenditure for the enhancement, improvement and maintenance of forest and parks systems.

***Safe Drinking Water Fund*** - to account for drinking water assessments to end suppliers engaged in the distribution of water and used for the administration of monitoring federal safe drinking water act.

## **OTHER BUDGETED FUNDS:**

These funds account for a variety of miscellaneous taxes, fees, fines and other revenues, which are restricted to the financing of specific Commonwealth programs.

***Ratepayer Parity Trust Fund*** – to account for all personal and corporate tax revenues attributable to the sale of assets relative to electric companies and penalties and fees collected for the purpose of providing extraordinary assistance in achieving the required electricity rate reduction. For FY03, this fund has been closed and the remaining balance transferred to the General Fund.

***Child Support Penalty Fee Fund*** - to account for penalties, fees or interest assessed by IV-D agency to establish the enforcement of child support authorized under Title IV of the Social Security Act.

***Workforce Training Fund*** - to account for revenues from new unemployment surcharge of .075% of unemployment taxable wages on employers; to provide grants to employers and labor groups to provide education and training to new and existing employees.

***Brownfields Revitalization Fund*** – to account for transfers from General Fund and related interest or investment earnings; amount appropriated for financial assistance to

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project sites located within Federal Empowerment Zones or Enterprise communities.

**Firearms Records Keeping Fund** – to account for revenues from firearms registration fees for the purpose of implementing, enhancing and maintaining a state firearms information system.

**Massachusetts Clean Elections Fund** – to account for revenues from the voluntary tax return "check off" on personal tax returns for the purpose of payment to eligible candidates for public financing of campaigns for statewide elective office.

**Tobacco Settlement Fund** – to account for the transfer of all designated scheduled payments received by the Commonwealth pursuant to the Master Tobacco Settlement; amounts appropriated for funding health related services and programs intended to control or reduce the use of tobacco in the Commonwealth.

**Antitrust Enforcement Fund** – to account for fines, penalties received and expenses paid related to actions brought by the Attorney General in connection with antitrust actions.

**Victim and Witness Assistance Fund** - to account for assessments imposed on individuals convicted of crimes; used to make grants to District Attorney's Offices and the Parole Board for programs serving crime victims and witnesses.

**Intercity Bus Capital Assistance Fund** – to account for the acquisition of vehicles for inter-city transportation and the revenues and costs associated with their operation.

**Motorcycle Safety Fund** – to account for motorcycle registration fees collected to administer motorcycle safety programs.

**Drug Analysis Fund** – to account for certain revenues received by the courts resulting from fines; used for the cost of analysis of controlled substances.

**Trust Fund for the Head Injury Treatment Services Fund** - to account for revenues from a surcharge on fines resulting from 'driving under the influence' convictions; funds the Massachusetts Rehabilitation Commission's statewide head injury program to develop and maintain non-residential rehabilitation services for head injured persons.

**Massachusetts Tourism Fund** - to account for revenues received from hotel taxes; used to fund the Office of Travel

and Tourism promotions and the Massachusetts Convention Center Authority.

**Ponkapoag Recreational Fund** – to account for a portion of golf course revenues; used for the capital improvement, purchase of equipment, and maintenance of the golf course.

**Leo J. Martin Recreational Fund** – to account for a portion of golf course revenues; used for the capital improvement, purchase of equipment and maintenance of the golf course.

**Division of Insurance Fund** – to account for revenues collected from agent licenses used to fund the cost related to accreditation from the National Association of Insurance Commissioners.

**Health Protection Fund** – to account for a portion of the cigarette tax, penalties, forfeitures, interest, settlements of lawsuits and fines collected in connection with sales of cigarettes; used to supplement existing funding for school health education programs, workplace and community smoking prevention and cessation programs, public service advertising, and for support of community health centers and their programs of prenatal and maternal care.

**State Building Management Fund** – to account for revenue rentals and commissions, such as parking fees and expenditures for the maintenance and operation of the Massachusetts Information Technology Center, the Springfield State Office Building, the State Transportation Building and other facilities.

**Reggie Lewis Track and Athletic Center Building Fund** - to account for revenues from user fees, concession stand commissions and other fees used for equipment repair, maintenance and non - payroll operating expenses of the facility.

**Assisted Living Administrative Fund** – to account for certification fees; used for operating expenses associated with the regulation of Elder Affairs Assisted Living.

**Commonwealth Cost Relief Fund** – to account for transfers from other funds; used for subsidies and other assistance for water pollution abatement projects, mitigation of sewer rate increases, and for extraordinary expenditures of the Commonwealth.

**Children's and Seniors' Health Care Assistance Fund** – to account for a portion of the cigarette and smokeless tobacco tax, inventory tax and related investment income; to be appropriated for the provision of medical benefits to expansion beneficiaries and a five year pilot program of pharmacy assistance.

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***Diversity Awareness Education Trust Fund*** - to account for fines and related interest or investment earnings from the trial courts from assault and battery cases with the intent to intimidate based on race, color, religion, sexual orientation, nationality or disability; to be appropriated for the purpose of developing and maintaining diversity awareness educational programs and courses for persons convicted of such crimes.

***Child Care Fund*** - to account for monies transferred from Transitional Aid to Needy Families Fund; used for the administration of childcare programs under the Office of Child Care Services.

***Transitional Aid to Needy Families Fund*** - to account for all federal revenues and reimbursements received by the Commonwealth pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, effectively ending Aid to Families with Dependent Children (AFDC) and replacing it with Transitional Aid to Needy Families (TANF) block grants.

***Social Services Program Fund*** – to account for monies transferred from Transitional Aid to Needy Families Fund, used for the operation of the Department of Social Services.

***Local Consumer Inspection Fund*** – to account for all amounts generated from item pricing fines, appropriated to provide financial assistance to eligible local or regional agencies.

***Caseload Increase Mitigation Fund*** – to account for revenues or other financing sources directed by budget to be appropriated for increased costs due to excessive welfare cases or to accommodate for fluctuations in federal funding for the Department of Transitional Assistance.

***Convention and Exhibition Center Fund*** – to account for surcharges imposed on tourist tickets, such as cruise and for any land-based sightseeing located in the Commonwealth to finance the construction of a new Boston Convention Center along with centers in Worcester and Springfield.

***Voting Equipment Loan Fund*** - to account for transfers from General Fund; loans to municipalities to replace punch card voting systems which shall be repaid to the Commonwealth no later than ten years after such loan is made. This fund was closed as of June 30, 2002.

The following funds have been enacted in legislation but are inactive for fiscal 2002:

***Danvers State Hospital Reuse*** – to account for the first \$100,000 proceeds of sale, lease or other disposition of the Danvers State Hospital Disposition sites and is available for the needs of mental health clients formerly served by the Danvers State Hospital.

***Adoption Affordability Assistance Fund*** – to account for state appropriations, federal reimbursements, grants and donations from public and private sources to provide funding for below market rate loans to families to adopt children. This program is managed by the Office of Child Care Services.

***False Claims Prosecution Fund*** – to account for monies received by the Commonwealth related to actions brought by the Attorney General in connection with fraudulent claims for payment. Amounts to be expended for the investigation and prosecution of false claims action.

***Collective Bargaining Reserve Fund*** - to account for transfers from the general fund, which may be used to fund negotiated contracts for state employees.



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**Budgeted Funds**  
Combining Balance Sheet - Statutory Basis

June 30, 2002 and 2001  
(Amounts in thousands)

	General	Highway	Local Aid
<b>ASSETS</b>			
Cash and short-term investments.....	\$ 2,300,023	\$ -	\$ -
Cash with fiscal agent.....	-	27,171	-
Receivables, net of allowance for uncollectibles:			
Taxes.....	-	-	-
Due from federal government.....	122,043	-	-
Other receivables.....	12,611	-	-
Due from cities and towns.....	3,578	-	557
Due from other funds.....	-	63	-
Total assets.....	<u>\$ 2,438,255</u>	<u>\$ 27,234</u>	<u>\$ 557</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Deficiency in cash and short-term investments.....	\$ -	\$ 443,185	\$ 878,172
Accounts payable.....	562,852	11,408	223,352
Accrued payroll.....	106,324	10,170	18,158
Total liabilities.....	<u>669,176</u>	<u>464,763</u>	<u>1,119,682</u>
Fund balances (deficits):			
Reserved for:			
Continuing appropriations.....	83,078	2,185	28,284
Commonwealth stabilization.....	-	-	-
Tax reduction.....	-	-	-
Transitional escrow.....	-	-	-
Debt service.....	-	27,171	-
Unreserved:			
Undesignated.....	1,686,001	(466,885)	(1,147,409)
Total fund balances (deficits).....	<u>1,769,079</u>	<u>(437,529)</u>	<u>(1,119,125)</u>
Total liabilities and fund balances.....	<u>\$ 2,438,255</u>	<u>\$ 27,234</u>	<u>\$ 557</u>

Commonwealth Stabilization	Administrative Control	Environmental	Other	Totals (Memorandum only)	
				2002	2001
\$ 881,771	\$ 15,992	\$ -	\$ 311,481	\$ 3,509,267	\$ 3,871,746
-	-	-	-	27,171	26,061
-	-	-	-	-	3,160
-	-	-	109,710	231,753	293,718
-	-	5,399	-	18,010	15,302
-	-	-	-	4,135	1,830
-	-	-	-	63	270
<u>\$ 881,771</u>	<u>\$ 15,992</u>	<u>\$ 5,399</u>	<u>\$ 421,191</u>	<u>\$ 3,790,399</u>	<u>\$ 4,212,087</u>
\$ -	\$ -	\$ 60,136	\$ -	\$ 1,381,493	\$ 337,333
-	12,341	12,003	61,511	883,467	728,532
-	775	1,701	327	137,455	132,900
<u>-</u>	<u>13,116</u>	<u>73,840</u>	<u>61,838</u>	<u>2,402,415</u>	<u>1,198,765</u>
-	2,876	517	51,062	168,002	289,984
881,771	-	-	-	881,771	1,714,990
-	-	-	-	-	33,565
-	-	-	-	-	579,215
-	-	-	-	27,171	26,061
-	-	(68,958)	308,291	311,040	369,507
<u>881,771</u>	<u>2,876</u>	<u>(68,441)</u>	<u>359,353</u>	<u>1,387,984</u>	<u>3,013,322</u>
<u>\$ 881,771</u>	<u>\$ 15,992</u>	<u>\$ 5,399</u>	<u>\$ 421,191</u>	<u>\$ 3,790,399</u>	<u>\$ 4,212,087</u>

## Budgeted Funds

### Combining Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

Fiscal Years Ended June 30, 2002 and 2001

(Amounts in thousands)

	General	Highway	Local Aid	Commonwealth Stabilization
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 8,154,964	\$ 570,134	\$ 4,610,190	\$ -
Assessments.....	95,791	9,728	-	-
Federal grants and reimbursements.....	3,297,387	669	-	-
Departmental.....	634,190	343,964	2,244	-
Miscellaneous.....	96,633	77,785	-	39,566
Total revenues.....	12,278,965	1,002,280	4,612,434	39,566
Other financing sources:				
Fringe benefit cost recovery.....	161,524	-	-	-
Lottery reimbursements.....	87,341	-	-	-
Lottery distributions.....	1,000	-	870,136	-
Caseload increase mitigation transfer.....	-	-	-	-
Tobacco settlement transfer.....	-	-	-	-
Operating transfers in.....	418,015	5,700	852	-
Transfer from (to) transitional escrow.....	422,000	-	-	157,215
Stabilization transfer.....	1,030,000	-	-	-
Capital projects funds year end transfer.....	51,369	-	-	-
Federal reimbursement transfer in.....	-	1,902	-	-
Transfer for tax reduction.....	33,605	-	-	-
Total other financing sources.....	2,204,854	7,602	870,988	157,215
Total revenues and other financing sources.....	14,483,819	1,009,882	5,483,422	196,781
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Legislature.....	58,909	-	-	-
Judiciary.....	580,053	-	-	-
Inspector General.....	1,973	-	-	-
Governor and Lieutenant Governor.....	5,542	-	-	-
Secretary of the Commonwealth.....	34,572	-	-	-
Treasurer and Receiver-General.....	112,548	1,182	4,981	-
Auditor of the Commonwealth.....	14,688	-	659	-
Attorney General.....	32,488	453	956	-
Ethics Commission.....	704	-	707	-
District Attorney.....	69,112	3,304	-	-
Office of Campaign & Political Finance.....	541	-	543	-
Sheriff's Departments.....	211,299	397	141	-
Disabled Persons Protection Commission.....	1,708	-	-	-
Board of Library Commissioners.....	3,813	-	3,171	-
Comptroller.....	7,895	-	-	-
Administration and finance.....	990,633	5,941	163,477	-
Environmental affairs.....	73,712	27,513	27,834	-
Communities and development.....	81,873	-	34,616	-
Health and human services.....	3,549,441	-	1,415	-
Transportation and construction.....	20,827	101,062	20,305	-
Education.....	21,342	-	330,435	-
Higher education.....	1,026,585	-	-	-
Public safety.....	487,270	255,009	157,088	-
Economic development.....	8,730	-	744	-
Elder affairs.....	174,430	-	11,171	-
Consumer affairs.....	40,731	2,052	-	-
Labor.....	40,492	-	-	-
Direct local aid.....	-	10,868	5,178,248	-
Medicaid.....	4,645,236	-	-	-
Pension.....	278,162	57,581	459,261	-
Debt service:				
Principal retirement.....	306,975	305,922	79,104	-
Interest and fiscal charges.....	250,662	293,834	68,102	-
Total expenditures.....	13,132,946	1,065,118	6,542,958	-
Other financing uses:				
Fringe benefit cost assessment.....	-	30,641	-	-
Operating transfers out.....	141,106	72,467	18,956	-
Sewer rate relief.....	-	-	58,655	-
Caseload increase mitigation transfer.....	401	-	-	-
Surplus transfer for capital projects.....	-	-	-	-
Stabilization transfer.....	-	-	-	1,030,000
Transfer for transitional escrow.....	-	-	-	-
Transfer for capital projects due to debt defeasance.....	33,718	671	201	-
Transfer for tax reduction.....	-	-	-	-
Total other financing uses.....	175,225	103,779	77,812	1,030,000
Total expenditures and other financing uses.....	13,308,171	1,168,897	6,620,770	1,030,000
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	1,175,648	(159,015)	(1,137,348)	(833,219)
Fund balances (deficit) at beginning of year (as restated).....	593,431	(278,514)	18,223	1,714,990
Fund balances (deficit) at end of year.....	\$ 1,769,079	\$ (437,529)	\$ (1,119,125)	\$ 881,771

Administrative Control	Environmental	Other	Totals (Memorandum only)	
			2002	2001
\$ -	\$ 8,209	\$ 279,213	\$ 13,622,710	\$ 16,074,655
-	23,835	-	129,354	87,148
6,026	4,662	1,026,190	4,334,934	3,974,158
114,243	59,016	51,972	1,205,629	1,162,839
40	39,592	11,876	265,492	284,434
120,309	135,314	1,369,251	19,558,119	21,583,234
-	-	-	161,524	196,238
-	-	-	87,341	85,646
-	-	-	871,136	862,132
-	-	4,878	4,878	2,021
-	-	154,728	154,728	81,506
8,518	494	81,952	515,531	322,272
-	-	-	579,215	579,215
-	-	-	1,030,000	51,693
-	-	-	51,369	-
-	-	-	1,902	1,717
-	-	-	33,605	25,930
8,518	494	241,558	3,491,229	2,208,370
128,827	135,808	1,610,809	23,049,348	23,791,604
-	-	-	58,909	55,536
-	-	4	580,057	588,065
-	-	-	1,973	2,454
-	-	-	5,542	5,981
121	-	-	34,693	43,431
-	-	403	119,114	135,906
-	-	-	15,347	15,458
-	108	1,669	35,674	33,722
-	-	-	1,411	1,542
-	-	8,640	81,056	80,792
-	-	356	1,440	1,079
56	-	80	211,973	196,799
-	-	-	1,708	1,673
-	-	-	6,984	7,714
515	-	-	8,410	8,182
96,360	22,182	65,750	1,344,343	1,266,694
408	90,998	1,252	221,717	228,331
-	-	301	116,790	140,841
10,695	6	750,602	4,312,159	4,219,092
364	-	3,359	145,917	199,938
-	-	61,069	412,846	385,403
34	1,841	1,056	1,029,516	1,102,258
12,284	326	6,005	917,982	873,560
-	-	24,534	34,008	51,310
9	-	88,149	273,759	214,036
-	-	4,089	46,872	51,127
-	-	18,827	59,319	53,843
-	-	-	5,189,116	4,969,440
-	-	614,039	5,259,275	4,642,342
-	778	-	795,782	1,040,121
-	-	-	692,001	128,426
-	-	136	612,734	547,513
120,846	116,239	1,650,320	22,628,427	21,292,609
1,686	11,608	9,332	53,267	71,573
7,721	10,388	1,411	252,049	329,037
-	-	-	58,655	53,914
-	-	4,477	4,878	2,021
-	-	-	-	34,462
-	-	-	1,030,000	51,693
579,215	-	-	579,215	579,215
-	-	-	34,590	624,270
33,605	-	-	33,605	25,930
622,227	21,996	15,220	2,046,259	1,772,115
743,073	138,235	1,665,540	24,674,686	23,064,724
(614,246)	(2,427)	(54,731)	(1,625,338)	726,880
617,122	(66,014)	414,084	3,013,322	2,286,442
\$ 2,876	\$ (68,441)	\$ 359,353	\$ 1,387,984	\$ 3,013,322

## Budgeted Funds

### Combining Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis - Budget And Actual

Fiscal Year Ended June 30, 2002

(Amounts in thousands)

	General			Highway		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES AND OTHER FINANCING SOURCES</b>						
Revenues:						
Taxes.....	\$ 8,950,400	\$ 8,154,964	\$ (795,436)	\$ 594,600	\$ 570,134	\$ (24,466)
Assessments.....	-	95,791	95,791	-	9,728	9,728
Federal grants and reimbursements.....	3,129,900	3,297,387	167,487	600	669	69
Departmental.....	880,500	634,190	(246,310)	380,400	343,964	(36,436)
Miscellaneous.....	-	96,633	96,633	-	77,785	77,785
Total revenues.....	12,960,800	12,278,965	(681,835)	975,600	1,002,280	26,680
Other financing sources:						
Fringe benefit cost recovery.....	-	161,524	161,524	-	-	-
Lottery reimbursements.....	87,341	87,341	-	-	-	-
Lottery distributions.....	1,000	1,000	-	-	-	-
Caseload increase mitigation transfer.....	-	-	-	-	-	-
Tobacco settlement transfer.....	-	-	-	-	-	-
Operating transfers in.....	139,859	418,015	278,156	-	5,700	5,700
Transfer from (to) transitional escrow.....	-	422,000	422,000	-	-	-
Stabilization transfer.....	-	1,030,000	1,030,000	-	-	-
Capital projects funds year end transfer.....	-	51,369	51,369	-	-	-
Federal reimbursement transfer in.....	-	-	-	-	1,902	1,902
Transfer for tax reduction.....	-	33,605	33,605	-	-	-
Total other financing sources.....	228,200	2,204,854	1,976,654	-	7,602	7,602
Total revenues and other financing sources.....	13,189,000	14,483,819	1,294,819	975,600	1,009,882	34,282
<b>EXPENDITURES AND OTHER FINANCING USES</b>						
Expenditures:						
Legislature.....	72,850	58,909	13,941	-	-	-
Judiciary.....	587,682	580,053	7,629	-	-	-
Inspector General.....	1,975	1,973	2	-	-	-
Governor and Lieutenant Governor.....	5,655	5,542	113	-	-	-
Secretary of the Commonwealth.....	34,907	34,572	335	-	-	-
Treasurer and Receiver-General.....	113,774	112,548	1,226	1,255	1,182	73
Auditor of the Commonwealth.....	14,690	14,688	2	-	-	-
Attorney General.....	33,097	32,488	609	453	453	-
Ethics Commission.....	705	704	1	-	-	-
District Attorney.....	69,265	69,112	153	3,304	3,304	-
Office of Campaign and Political Finance.....	543	541	2	-	-	-
Sheriff's Departments.....	214,519	211,299	3,220	485	397	88
Disabled Persons Protection Commission.....	1,714	1,708	6	-	-	-
Board of Library Commissioners.....	4,088	3,813	275	-	-	-
Comptroller.....	7,900	7,895	5	-	-	-
Administration and finance.....	1,004,098	990,633	13,465	6,957	5,941	1,016
Environmental affairs.....	78,398	73,712	4,686	28,835	27,513	1,322
Communities and development.....	87,825	81,873	5,952	-	-	-
Health and human services.....	3,606,971	3,549,441	57,530	-	-	-
Transportation and construction.....	21,131	20,827	304	106,126	101,062	5,064
Education.....	21,893	21,342	551	-	-	-
Higher education.....	1,036,007	1,026,585	9,422	-	-	-
Public safety.....	507,975	487,270	20,705	258,974	255,009	3,965
Economic development.....	9,091	8,730	361	-	-	-
Elder affairs.....	174,825	174,430	395	-	-	-
Consumer affairs.....	42,263	40,731	1,532	2,101	2,052	49
Labor.....	47,094	40,492	6,602	-	-	-
Direct local aid.....	-	-	-	10,868	10,868	-
Medicaid.....	4,648,568	4,645,236	3,332	-	-	-
Pension.....	279,216	278,162	1,054	57,809	57,581	228
Debt service:						
Principal retirement.....	313,756	306,975	6,781	315,422	305,922	9,500
Interest and fiscal charges.....	262,772	250,662	12,110	308,693	293,834	14,859
Total expenditures.....	13,305,247	13,132,946	172,301	1,101,282	1,065,118	36,164
Other financing uses:						
Fringe benefit cost assessment.....	-	-	-	-	30,641	(30,641)
Operating transfers out.....	141,106	141,106	-	72,467	72,467	-
Sewer rate relief.....	-	-	-	-	-	-
Caseload increase mitigation transfer.....	401	401	-	-	-	-
Surplus transfer for capital projects.....	-	-	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-
Transfer for transitional escrow.....	-	-	-	-	-	-
Transfer for capital projects due to debt defeasance.....	33,718	33,718	-	671	671	-
Transfer for tax reduction.....	-	-	-	-	-	-
Total other financing uses.....	175,225	175,225	-	73,138	103,779	(30,641)
Total expenditures and other financing uses.....	13,480,472	13,308,171	172,301	1,174,420	1,168,897	5,523
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(291,472)	1,175,648	1,467,120	(198,820)	(159,015)	39,805
Fund balances (deficit) at beginning of year.....	593,431	593,431	-	(278,514)	(278,514)	-
Fund balances (deficit) at end of year.....	\$ 301,959	\$ 1,769,079	\$ 1,467,120	\$ (477,334)	\$ (437,529)	\$ 39,805

Local Aid			Commonwealth Stabilization			Administrative Control		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 5,113,100	\$ 4,610,190	\$ (502,910)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	5,788	6,026	238
7,900	2,244	(5,656)	-	-	-	1,742	114,243	112,501
-	-	-	37,566	39,566	2,000	40	40	-
5,121,000	4,612,434	(508,566)	37,566	39,566	2,000	7,570	120,309	112,739
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
856,700	870,136	13,436	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	852	852	-	-	-	-	8,518	8,518
-	-	-	-	157,215	157,215	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
856,700	870,988	14,288	-	157,215	157,215	-	8,518	8,518
5,977,700	5,483,422	(494,278)	37,566	196,781	159,215	7,570	128,827	121,257
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	121	121	-
5,591	4,981	610	-	-	-	-	-	-
661	659	2	-	-	-	-	-	-
959	956	3	-	-	-	-	-	-
707	707	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
545	543	2	-	-	-	-	-	-
145	141	4	-	-	-	56	56	-
-	-	-	-	-	-	-	-	-
3,182	3,171	11	-	-	-	-	-	-
-	-	-	-	-	-	515	515	-
164,666	163,477	1,189	-	-	-	100,751	96,360	4,391
29,167	27,834	1,333	-	-	-	435	408	27
34,884	34,616	268	-	-	-	-	-	-
1,440	1,415	25	-	-	-	12,027	10,695	1,332
20,331	20,305	26	-	-	-	448	364	84
377,867	330,435	47,432	-	-	-	-	-	-
-	-	-	-	-	-	34	34	-
159,513	157,088	2,425	-	-	-	12,330	12,284	46
744	744	-	-	-	-	-	-	-
11,192	11,171	21	-	-	-	9	9	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
5,182,489	5,178,248	4,241	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
459,261	459,261	-	-	-	-	-	-	-
81,496	79,104	2,392	-	-	-	-	-	-
69,416	68,102	1,314	-	-	-	-	-	-
6,604,256	6,542,958	61,298	-	-	-	126,726	120,846	5,880
-	-	-	-	-	-	-	1,686	(1,686)
18,956	18,956	-	-	-	-	7,721	7,721	-
58,655	58,655	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	1,030,000	1,030,000	-	-	-	-
-	-	-	-	-	-	579,215	579,215	-
201	201	-	-	-	-	-	-	-
-	-	-	-	-	-	33,605	33,605	-
77,812	77,812	-	1,030,000	1,030,000	-	620,541	622,227	(1,686)
6,682,068	6,620,770	61,298	1,030,000	1,030,000	-	747,267	743,073	4,194
(704,369)	(1,137,348)	(432,979)	(992,434)	(833,219)	159,215	(739,697)	(614,246)	125,451
18,223	18,223	-	1,714,990	1,714,990	-	617,122	617,122	-
\$ (686,146)	\$ (1,119,125)	\$ (432,979)	\$ 722,556	\$ 881,771	\$ 159,215	\$ (122,575)	\$ 2,876	\$ 125,451

## Budgeted Funds

### Combining Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis - Budget And Actual

Fiscal Year Ended June 30, 2002

(Amounts in thousands)

	Environmental			Other		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES AND OTHER FINANCING SOURCES</b>						
Revenues:						
Taxes.....	\$ 8,600	\$ 8,209	\$ (391)	\$ 263,400	\$ 279,213	\$ 15,813
Assessments.....	2,700	23,835	21,135	-	-	-
Federal grants and reimbursements.....	4,479	4,662	183	985,533	1,026,190	40,657
Departmental.....	91,789	59,016	(32,773)	60,058	51,972	(8,086)
Miscellaneous.....	43,948	39,592	(4,356)	10,929	11,876	947
Total revenues.....	151,516	135,314	(16,202)	1,319,920	1,369,251	49,331
Other financing sources:						
Fringe benefit cost recovery.....	-	-	-	-	-	-
Lottery reimbursements.....	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-
Caseload increase mitigation transfer.....	-	-	-	-	4,878	4,878
Tobacco settlement transfer.....	-	-	-	154,728	154,728	-
Operating transfers in.....	100	494	394	81,952	81,952	-
Transfer from (to) transitional escrow.....	-	-	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-
Capital projects funds year end transfer.....	-	-	-	-	-	-
Federal reimbursement transfer in.....	-	-	-	-	-	-
Transfer for tax reduction.....	-	-	-	-	-	-
Total other financing sources.....	100	494	394	236,680	241,558	4,878
Total revenues and other financing sources.....	151,616	135,808	(15,808)	1,556,600	1,610,809	54,209
<b>EXPENDITURES AND OTHER FINANCING USES</b>						
Expenditures:						
Legislature.....	-	-	-	-	-	-
Judiciary.....	-	-	-	4	4	-
Inspector General.....	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-
Secretary of the Commonwealth.....	-	-	-	-	-	-
Treasurer and Receiver-General.....	-	-	-	404	403	1
Auditor of the Commonwealth.....	-	-	-	-	-	-
Attorney General.....	142	108	34	1,684	1,669	15
Ethics Commission.....	-	-	-	-	-	-
District Attorney.....	-	-	-	8,684	8,640	44
Office of Campaign & Political Finance.....	-	-	-	-	356	(356)
Sheriff's Departments.....	-	-	-	87	80	7
Disabled Persons Protection Commission.....	-	-	-	-	-	-
Board of Library Commissioners.....	-	-	-	-	-	-
Comptroller.....	-	-	-	-	-	-
Administration and finance.....	25,327	22,182	3,145	84,884	65,750	19,134
Environmental affairs.....	94,300	90,998	3,302	3,831	1,252	2,579
Communities and development.....	-	-	-	309	301	8
Health and human services.....	8	6	2	782,847	750,602	32,245
Transportation and construction.....	-	-	-	3,954	3,359	595
Education.....	-	-	-	62,472	61,069	1,403
Higher education.....	1,928	1,841	87	1,078	1,056	22
Public safety.....	326	326	-	6,264	6,005	259
Economic development.....	-	-	-	36,406	24,534	11,872
Elder affairs.....	-	-	-	105,703	88,149	17,554
Consumer affairs.....	-	-	-	4,188	4,089	99
Labor.....	-	-	-	42,656	18,827	23,829
Direct local aid.....	-	-	-	-	-	-
Medicaid.....	-	-	-	634,300	614,039	20,261
Pension.....	778	778	-	-	-	-
Debt service:						
Principal retirement.....	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	136	136	-
Total expenditures.....	122,809	116,239	6,570	1,779,891	1,650,320	129,571
Other financing uses:						
Fringe benefit cost assessment.....	-	11,608	(11,608)	-	9,332	(9,332)
Operating transfers out.....	10,388	10,388	-	1,411	1,411	-
Sewer rate relief.....	-	-	-	-	-	-
Caseload increase mitigation transfer.....	-	-	-	4,477	4,477	-
Surplus transfer for capital projects.....	-	-	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-
Transfer for transitional escrow.....	-	-	-	-	-	-
Transfer for capital projects due to debt defeasance.....	-	-	-	-	-	-
Transfer for tax reduction.....	-	-	-	-	-	-
Total other financing uses.....	10,388	21,996	(11,608)	5,888	15,220	(9,332)
Total expenditures and other financing uses.....	133,197	138,235	(5,038)	1,785,779	1,665,540	120,239
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	18,419	(2,427)	(20,846)	(229,179)	(54,731)	174,448
Fund balances (deficit) at beginning of year.....	(66,014)	(66,014)	-	414,084	414,084	-
Fund balances (deficit) at end of year.....	\$ (47,595)	\$ (68,441)	\$ (20,846)	\$ 184,905	\$ 359,353	\$ 174,448

Totals (Memorandum only)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 14,930,100	\$ 13,622,710	\$ (1,307,390)
2,700	129,354	126,654
4,126,300	4,334,934	208,634
1,422,389	1,205,629	(216,760)
92,483	265,492	173,009
<u>20,573,972</u>	<u>19,558,119</u>	<u>(1,015,853)</u>
-	161,524	161,524
87,341	87,341	-
857,700	871,136	13,436
-	4,878	4,878
154,728	154,728	-
221,911	515,531	293,620
-	579,215	579,215
-	1,030,000	1,030,000
-	51,369	51,369
-	1,902	1,902
-	33,605	33,605
<u>1,321,680</u>	<u>3,491,229</u>	<u>2,169,549</u>
<u>21,895,652</u>	<u>23,049,348</u>	<u>1,153,696</u>
72,850	58,909	13,941
587,686	580,057	7,629
1,975	1,973	2
5,655	5,542	113
35,028	34,693	335
121,024	119,114	1,910
15,351	15,347	4
36,335	35,674	661
1,412	1,411	1
81,253	81,056	197
1,088	1,440	(352)
215,292	211,973	3,319
1,714	1,708	6
7,270	6,984	286
8,415	8,410	5
1,386,683	1,344,343	42,340
234,966	221,717	13,249
123,018	116,790	6,228
4,403,293	4,312,159	91,134
151,990	145,917	6,073
462,232	412,846	49,386
1,039,047	1,029,516	9,531
945,382	917,982	27,400
46,241	34,008	12,233
291,729	273,759	17,970
48,552	46,872	1,680
89,750	59,319	30,431
5,193,357	5,189,116	4,241
5,282,868	5,259,275	23,593
797,064	795,782	1,282
710,674	692,001	18,673
641,017	612,734	28,283
<u>23,040,211</u>	<u>22,628,427</u>	<u>411,784</u>
-	53,267	(53,267)
252,049	252,049	-
58,655	58,655	-
4,878	4,878	-
-	-	-
1,030,000	1,030,000	-
579,215	579,215	-
34,590	34,590	-
33,605	33,605	-
<u>1,992,992</u>	<u>2,046,259</u>	<u>(53,267)</u>
<u>25,033,203</u>	<u>24,674,686</u>	<u>358,517</u>
(3,137,551)	(1,625,338)	1,512,213
<u>3,013,322</u>	<u>3,013,322</u>	<u>-</u>
<u>\$ (124,229)</u>	<u>\$ 1,387,984</u>	<u>\$ 1,512,213</u>

**General Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 2,300,023	\$ 970,457
Receivables, net of allowance for uncollectibles:		
Taxes.....	-	3,160
Due from federal government.....	122,043	117,998
Other receivables.....	12,611	11,848
Due from cities and towns.....	<u>3,578</u>	<u>1,273</u>
Total assets.....	<u>\$ 2,438,255</u>	<u>\$ 1,104,736</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 562,852	\$ 412,000
Accrued payroll.....	<u>106,324</u>	<u>99,305</u>
Total liabilities.....	<u>669,176</u>	<u>511,305</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	83,078	183,049
Unreserved fund balance (deficit):		
Undesignated.....	<u>1,686,001</u>	<u>410,382</u>
Total fund balance (deficit).....	<u>1,769,079</u>	<u>593,431</u>
Total liabilities and fund balance.....	<u>\$ 2,438,255</u>	<u>\$ 1,104,736</u>

**General Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 8,950,400	\$ 8,154,964	\$ (795,436)	\$ 9,602,242
Assessments.....	-	95,791	95,791	68,527
Federal grants and reimbursements.....	3,129,900	3,297,387	167,487	2,991,936
Departmental.....	880,500	634,190	(246,310)	622,199
Miscellaneous.....	-	96,633	96,633	145,932
Total revenues.....	12,960,800	12,278,965	(681,835)	13,430,836
Other financing sources:				
Fringe benefit cost recovery.....	-	161,524	161,524	196,238
Lottery reimbursements.....	87,341	87,341	-	85,646
Lottery distributions.....	1,000	1,000	-	1,000
Operating transfers in.....	139,859	418,015	278,156	214,063
Stabilization transfers.....	-	1,030,000	1,030,000	-
Capital projects funds year end transfer.....	-	51,369	51,369	-
Transfer for tax reduction.....	-	33,605	33,605	-
Transfer from transitional escrow.....	-	422,000	422,000	-
Total other financing sources.....	228,200	2,204,854	1,976,654	496,947
Total revenues and other financing sources.....	13,189,000	14,483,819	1,294,819	13,927,783
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Legislature.....	72,850	58,909	13,941	55,536
Judiciary.....	587,682	580,053	7,629	587,983
Inspector General.....	1,975	1,973	2	2,454
Governor and Lieutenant Governor.....	5,655	5,542	113	5,981
Secretary of the Commonwealth.....	34,907	34,572	335	43,306
Treasurer and Receiver-General.....	113,774	112,548	1,226	109,486
Auditor of the Commonwealth.....	14,690	14,688	2	14,726
Attorney General.....	33,097	32,488	609	30,595
Ethics Commission.....	705	704	1	770
District Attorney.....	69,265	69,112	153	68,748
Office of Campaign and Political Finance.....	543	541	2	539
Sheriff's Departments.....	214,519	211,299	3,220	196,284
Disabled Persons Protection Commission.....	1,714	1,708	6	1,673
Board of Library Commissioners.....	4,088	3,813	275	4,395
Comptroller.....	7,900	7,895	5	7,676

**General Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
Expenditures (continued):				
Administration and finance.....	1,004,098	990,633	13,465	935,458
Environmental affairs.....	78,398	73,712	4,686	77,647
Communities and development.....	87,825	81,873	5,952	100,927
Health and human services.....	3,606,971	3,549,441	57,530	3,490,665
Transportation and construction.....	21,131	20,827	304	17,619
Education.....	21,893	21,342	551	17,906
Higher education.....	1,036,007	1,026,585	9,422	1,099,442
Public safety.....	507,975	487,270	20,705	472,732
Economic development.....	9,091	8,730	361	15,608
Elder affairs.....	174,825	174,430	395	175,515
Consumer affairs.....	42,263	40,731	1,532	44,500
Labor.....	47,094	40,492	6,602	40,899
Direct local aid.....	-	-	-	13,248
Medicaid.....	4,648,568	4,645,236	3,332	4,087,485
Pension.....	279,216	278,162	1,054	427,430
Debt service:				
Principal retirement.....	313,756	306,975	6,781	46,222
Interest and fiscal charges.....	262,772	250,662	12,110	237,557
Total expenditures.....	13,305,247	13,132,946	172,301	12,431,012
Other financing uses:				
Caseload increase mitigation transfer.....	401	401	-	431
Surplus transfer for capital projects.....	-	-	-	34,462
Transfer for transitional escrow.....	-	-	-	579,215
Transfer for capital projects due to debt defeasance.....	33,718	33,718	-	345,753
Operating transfers out.....	141,106	141,106	-	169,926
Stabilization transfer.....	-	-	-	31,016
Total other financing uses.....	175,225	175,225	-	1,160,803
Total expenditures and other financing uses.....	13,480,472	13,308,171	172,301	13,591,815
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(291,472)	1,175,648	1,467,120	335,968
Fund balance (deficit) at beginning of year.....	593,431	593,431	-	257,463
Fund balance (deficit) at end of year.....	\$ 301,959	\$ 1,769,079	\$ 1,467,120	\$ 593,431



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# Highway Fund

## Balance Sheet - Statutory Basis

June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>ASSETS</b>		
Cash with fiscal agent.....	\$ 27,171	\$ 26,061
Due from other funds.....	63	270
Total assets.....	<u>\$ 27,234</u>	<u>\$ 26,331</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 443,185	\$ 280,638
Accounts payable.....	11,408	12,814
Accrued payroll.....	10,170	11,393
Total liabilities.....	<u>464,763</u>	<u>304,845</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	2,185	7,026
Reserved for debt service.....	27,171	26,061
Unreserved fund balance (deficit):		
Undesignated.....	<u>(466,885)</u>	<u>(311,601)</u>
Total fund balance (deficit).....	<u>(437,529)</u>	<u>(278,514)</u>
Total liabilities and fund balance.....	<u>\$ 27,234</u>	<u>\$ 26,331</u>

# Highway Fund

## Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 594,600	\$ 570,134	\$ (24,466)	\$ 564,622
Assessments.....	-	9,728	9,728	10,168
Federal grants and reimbursements.....	600	669	69	562
Departmental.....	380,400	343,964	(36,436)	328,504
Miscellaneous.....	-	77,785	77,785	2,108
Total revenues.....	975,600	1,002,280	26,680	905,964
Other financing sources:				
Federal reimbursement transfer in .....	-	1,902	1,902	1,717
Operating transfers in.....	-	5,700	5,700	5,700
Total other financing sources.....	-	7,602	7,602	7,417
Total revenues and other financing sources.....	975,600	1,009,882	34,282	913,381
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Treasurer and Receiver-General.....	1,255	1,182	73	1,246
Attorney General.....	453	453	-	541
District Attorney.....	3,304	3,304	-	3,341
Sheriff's Departments.....	485	397	88	313
Administration and finance.....	6,957	5,941	1,016	6,435
Environmental affairs.....	28,835	27,513	1,322	28,747
Transportation and construction.....	106,126	101,062	5,064	160,568
Public safety.....	258,974	255,009	3,965	226,015
Consumer affairs.....	2,101	2,052	49	2,214
Direct local aid.....	10,868	10,868	-	43,472
Pension.....	57,809	57,581	228	67,760
Debt service:				
Principal retirement.....	315,422	305,922	9,500	68,971
Interest and fiscal charges.....	308,693	293,834	14,859	262,770
Total expenditures.....	1,101,282	1,065,118	36,165	872,393
Other financing uses:				
Fringe benefit cost assessment.....	-	30,641	(30,641)	41,110
Operating transfers out.....	72,467	72,467	-	98,808
Transfer for capital projects due to debt defeasance.....	671	671	-	209,983
Total other financing uses.....	73,138	103,779	(30,641)	349,901
Total expenditures and other financing uses.....	1,174,420	1,168,897	5,524	1,222,294
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(198,820)	(159,015)	39,805	(308,913)
Fund balance (deficit) at beginning of year.....	(278,514)	(278,514)	-	30,399
Fund balance (deficit) at end of year.....	\$ (477,334)	\$ (437,529)	\$ 39,805	\$ (278,514)

**Infrastructure Fund (Subfund Of Highway Fund)**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 1,132,629	\$ 993,547
Cash with fiscal agent.....	<u>27,171</u>	<u>26,061</u>
Total assets.....	<u><u>\$ 1,159,800</u></u>	<u><u>\$ 1,019,608</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	<u>\$ -</u>	<u>\$ -</u>
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for debt service.....	27,171	26,061
Unreserved fund balance (deficit):		
Undesignated.....	<u>1,132,629</u>	<u>993,547</u>
Total fund balance (deficit).....	<u>1,159,800</u>	<u>1,019,608</u>
Total liabilities and fund balance.....	<u><u>\$ 1,159,800</u></u>	<u><u>\$ 1,019,608</u></u>

Note: The Infrastructure Fund was established by Section 16 of Chapter 121, Acts of 1990 as a subfund of the Highway Fund, and it is a component of, not an addition to, that fund. The entire Highway Fund, including this subfund, is presented in the preceding financial statements labeled Highway Fund.

**Infrastructure Fund (Subfund Of Highway Fund)**  
**Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 191,559	\$ 191,559	-	\$ 188,763
Miscellaneous.....	-	756	756	1,900
Total revenues.....	191,559	192,315	756	190,663
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	191,559	192,315	756	190,663
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Debt service:				
Principal retirement.....	23,415	23,415	-	22,290
Interest and fiscal charges.....	28,708	28,708	-	29,830
Total expenditures.....	52,123	52,123	-	52,120
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other financing uses.....	52,123	52,123	-	52,120
Excess (deficiency) of revenues and other financing over expenditures and other financing uses.....	139,436	140,192	756	138,543
Fund balance (deficit) at beginning of year.....	1,019,608	1,019,608	-	881,065
Fund balance (deficit) at end of year.....	\$ 1,159,044	\$ 1,159,800	\$ 756	\$ 1,019,608

Note: The Infrastructure Fund was established by Section 16 of Chapter 121, Acts of 1990 as a subfund of the Highway Fund, and it is a component of, not an addition to, that fund. The entire Highway Fund, including this subfund, is presented in the preceding financial statements labeled Highway Fund.

**Local Aid Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ 239,759
Due from cities and towns.....	557	557
Total assets.....	<u>\$ 557</u>	<u>\$ 240,316</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 878,172	\$ -
Accounts payable.....	223,352	202,636
Accrued payroll.....	18,158	19,457
Total liabilities.....	<u>1,119,682</u>	<u>222,093</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	28,284	33,240
Unreserved fund balance (deficit):		
Undesignated.....	(1,147,409)	(15,017)
Total fund balance (deficit).....	<u>(1,119,125)</u>	<u>18,223</u>
Total liabilities and fund balance.....	<u>\$ 557</u>	<u>\$ 240,316</u>

**Local Aid Fund**  
Statement of Revenues, Expenditures And Changes in Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 5,113,100	\$ 4,610,190	\$ (502,910)	\$ 5,578,947
Departmental.....	7,900	2,244	(5,656)	969
Miscellaneous.....	-	-	-	624
Total revenues.....	5,121,000	4,612,434	(508,566)	5,580,540
Other financing sources:				
Lottery distributions.....	856,700	870,136	13,436	861,132
Operating transfers in .....	-	852	852	-
Total other financing sources.....	856,700	870,988	14,288	861,132
Total revenues and other financing sources.....	5,977,700	5,483,422	(494,278)	6,441,672
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Treasurer and Receiver-General.....	5,591	4,981	610	5,549
Auditor of the Commonwealth.....	661	659	2	732
Attorney General.....	959	956	3	964
Ethics Commission.....	707	707	-	772
Office of Campaign and Political Finance.....	545	543	2	540
Sheriff's Departments.....	145	141	4	133
Board of Library Commissioners.....	3,182	3,171	11	3,319
Administration and finance.....	164,666	163,477	1,189	164,346
Environmental affairs.....	29,167	27,834	1,333	32,035
Communities and development.....	34,884	34,616	268	37,501
Health and human services.....	1,440	1,415	25	1,552
Transportation and construction.....	20,331	20,305	26	17,046
Education.....	377,867	330,435	47,432	300,605
Public safety.....	159,513	157,088	2,425	156,221
Economic development.....	744	744	-	800
Elder affairs.....	11,192	11,171	21	11,421
Direct local aid.....	5,182,489	5,178,248	4,241	4,912,720
Pension.....	459,261	459,261	-	544,009
Debt service:				
Principal retirement.....	81,496	79,104	2,392	13,215
Interest and fiscal charges.....	69,416	68,102	1,314	66,281
Total expenditures.....	6,604,256	6,542,958	61,298	6,269,761
Other financing uses:				
Operating transfers out.....	18,956	18,956	-	18,952
Sewer rate relief.....	58,655	58,655	-	53,914
Stabilization transfer.....	-	-	-	20,677
Transfer for capital projects due to debt defeasance.....	201	201	-	68,507
Total other financing uses.....	77,812	77,812	-	162,050
Total expenditures and other financing uses.....	6,682,068	6,620,770	61,298	6,431,811
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(704,369)	(1,137,348)	432,979	9,861
Fund balance (deficit) at beginning of year.....	18,223	18,223	-	8,362
Fund balance (deficit) at end of year.....	\$ (686,146)	\$ (1,119,125)	\$ 432,979	\$ 18,223

**Commonwealth Stabilization Fund**  
Balance Sheet- Statutory Basis

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 881,771	\$ 1,714,990
Total assets.....	<u>\$ 881,771</u>	<u>\$ 1,714,990</u>
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for stabilization.....	881,771	1,714,990
Total fund balance (deficit).....	<u>881,771</u>	<u>1,714,990</u>
Total liabilities and fund balance.....	<u>\$ 881,771</u>	<u>\$ 1,714,990</u>

**Commonwealth Stabilization Fund**  
Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Miscellaneous.....	\$ 37,566	\$ 39,566	\$ 2,000	\$ 80,845
Total revenues.....	37,566	39,566	2,000	80,845
Other financing sources:				
Transfer from transitional escrow.....	-	157,215	157,215	-
Stabilization transfer.....	-	-	-	51,693
Total other financing sources.....	-	157,215	157,215	51,693
Total revenues and other financing sources.....	37,566	196,781	159,215	132,538
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Administration and finance.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Stabilization transfer.....	1,030,000	1,030,000	-	-
Transfer for tax reduction.....	-	-	-	25,930
Total other financing uses.....	1,030,000	1,030,000	-	25,930
Total expenditures and other financing uses.....	1,030,000	1,030,000	-	25,930
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(992,434)	(833,219)	159,215	106,608
Fund balance (deficit) at beginning of year.....	1,714,990	1,714,990	-	1,608,382
Fund balance (deficit) at end of year.....	\$ 722,556	\$ 881,771	\$ 159,215	\$ 1,714,990

**Tax Reduction Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ 33,565
Total assets.....	<u>\$ -</u>	<u>\$ 33,565</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for tax reduction.....	-	33,565
Total fund balance (deficit) .....	<u>-</u>	<u>33,565</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 33,565</u>

**Tax Reduction Fund**  
**Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Miscellaneous.....	\$ 40	\$ 40	\$ -	\$ 432
Total revenues.....	40	40	-	432
Other financing sources:				
Transfer for tax reduction.....	-	-	-	25,930
Total other financing sources.....	-	-	-	25,930
Total revenues and other financing sources.....	40	40	-	26,362
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Administration and finance.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Transfer for tax reduction.....	33,605	33,605	-	-
Total other financing uses.....	33,605	33,605	-	-
Total expenditures and other financing uses.....	33,605	33,605	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(33,565)	(33,565)	-	26,362
Fund balance (deficit) at beginning of year.....	33,565	33,565	-	7,203
Fund balance (deficit) at end of year.....	\$ -	\$ -	\$ -	\$ 33,565

**Intragovernmental Service Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 13,400	\$ 12,551
Total assets.....	<u>\$ 13,400</u>	<u>\$ 12,551</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 11,543	\$ 11,585
Accrued payroll.....	<u>775</u>	<u>527</u>
Total liabilities.....	<u>12,318</u>	<u>12,112</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	<u>1,082</u>	<u>439</u>
Total fund balance (deficit) .....	<u>1,082</u>	<u>439</u>
Total liabilities and fund balance.....	<u>\$ 13,400</u>	<u>\$ 12,551</u>

**Intragovernmental Service Fund**  
**Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ -	\$ 112,702	\$ 112,702	\$ 103,811
Total revenues.....	-	112,702	112,702	103,811
Other financing sources:				
Operating transfers in.....	-	8,518	8,518	11,002
Total other financing sources.....	-	8,518	8,518	11,002
Total revenues and other financing sources.....	-	121,220	121,220	114,813
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Secretary of the Commonwealth.....	121	121	-	125
Administration and finance.....	99,566	95,696	3,870	88,709
Environmental affairs.....	431	404	27	405
Health and human services.....	9,106	9,087	19	8,279
Transportation and construction.....	349	267	82	298
Public safety.....	12,330	12,284	46	12,616
Total expenditures.....	121,903	117,859	4,044	110,432
Other financing uses:				
Fringe benefit cost assessment.....	-	1,599	(1,599)	1,678
Operating transfers out.....	1,119	1,119	-	2,925
Total other financing uses.....	1,119	2,718	(1,599)	4,603
Total expenditures and other financing uses.....	123,022	120,577	2,445	115,035
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(123,022)	643	123,665	(222)
Fund balance (deficit) at beginning of year.....	439	439	-	661
Fund balance (deficit) at end of year.....	<u>\$ (122,583)</u>	<u>\$ 1,082</u>	<u>\$ 123,665</u>	<u>\$ 439</u>

**Revenue Maximization Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 2,592	\$ 5,780
Total assets.....	<u>\$ 2,592</u>	<u>\$ 5,780</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 798	\$ 1,877
Total liabilities.....	<u>798</u>	<u>1,877</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	1,794	3,903
Total fund balance (deficit) .....	<u>1,794</u>	<u>3,903</u>
Total liabilities and fund balance.....	<u>\$ 2,592</u>	<u>\$ 5,780</u>

**Revenue Maximization Fund**  
**Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002

(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Federal grants and reimbursements.....	\$ 5,788	\$ 6,026	\$ 238	\$ 41,374
Departmental.....	1,742	1,541	(201)	1,661
Total revenues.....	7,530	7,567	37	43,035
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	7,530	7,567	37	43,035
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Sheriff's Departments.....	56	56	-	-
Comptroller.....	515	515	-	506
Administration and finance.....	1,187	664	523	1,577
Environmental affairs.....	4	4	-	4
Health and human services.....	2,921	1,608	1,313	2,845
Transportation and construction.....	99	97	2	63
Higher education.....	34	34	-	19
Elder affairs.....	9	9	-	189
Total expenditures.....	4,825	2,987	1,838	5,203
Other financing uses:				
Fringe benefit cost assessment.....	-	87	(87)	109
Operating transfers out.....	6,602	6,602	-	38,351
Total other financing uses.....	6,602	6,689	(87)	38,460
Total expenditures and other financing uses.....	11,427	9,676	1,751	43,663
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(3,897)	(2,109)	1,788	(628)
Fund balance (deficit) at beginning of year.....	3,903	3,903	-	4,531
Fund balance (deficit) at end of year.....	\$ 6	\$ 1,794	\$ 1,788	\$ 3,903

**Transitional Escrow Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ 579,215
Total assets.....	<u>\$ -</u>	<u>\$ 579,215</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for transitional escrow.....	-	579,215
Total fund balance (deficit) .....	<u>-</u>	<u>579,215</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 579,215</u>

**Transitional Escrow Fund**  
**Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Miscellaneous.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Transfers for transitional escrow.....	-	-	-	579,215
Total other financing sources.....	-	-	-	579,215
Total revenues and other financing sources.....	-	-	-	579,215
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Administration and finance.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Transfers for transitional escrow.....	579,215	579,215	-	-
Total other financing uses.....	579,215	579,215	-	-
Total expenditures and other financing uses.....	579,215	579,215	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(579,215)	(579,215)	-	579,215
Fund balance (deficit) at beginning of year.....	579,215	579,215	-	-
Fund balance (deficit) at end of year.....	\$ -	\$ -	\$ -	\$ 579,215

**Natural Heritage And Endangered Species Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 186	\$ -
Total assets.....	<u>\$ 186</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ -	\$ 9
Total liabilities.....	<u>-</u>	<u>9</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	186	(9)
Total fund balance (deficit).....	<u>186</u>	<u>(9)</u>
Total liabilities and fund balance.....	<u>\$ 186</u>	<u>\$ -</u>

**Natural Heritage And Endangered Species Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Federal grants and reimbursements.....	\$ 252	\$ 262	\$ 10	\$ 97
Departmental.....	20	20	-	28
Miscellaneous.....	232	203	(29)	188
Total revenues.....	504	485	(19)	313
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	504	485	(19)	313
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Environmental affairs.....	264	250	14	272
Total expenditures.....	264	250	14	272
Other financing uses:				
Fringe benefit cost assessment.....	-	40	(40)	52
Total other financing uses.....	-	40	(40)	52
Total expenditures and other financing uses.....	264	290	(26)	324
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	240	195	(45)	(11)
Fund balance (deficit) at beginning of year.....	(9)	(9)	-	2
Fund balance (deficit) at end of year.....	\$ 231	\$ 186	\$ (45)	\$ (9)

**Inland Fisheries And Game Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 6,823	\$ 3,935
Total assets.....	<u>\$ 6,823</u>	<u>\$ 3,935</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 372	\$ 332
Accrued payroll.....	<u>204</u>	<u>222</u>
Total liabilities.....	<u>576</u>	<u>554</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>6,247</u>	<u>3,381</u>
Total fund balance (deficit).....	<u>6,247</u>	<u>3,381</u>
Total liabilities and fund balance.....	<u>\$ 6,823</u>	<u>\$ 3,935</u>

**Inland Fisheries And Game Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 921	\$ 879	\$ (42)	\$ 867
Federal grants and reimbursements.....	3,825	3,982	157	1,363
Departmental.....	8,640	7,533	(1,107)	6,643
Miscellaneous.....	-	108	108	278
Total revenues.....	<u>13,386</u>	<u>12,502</u>	<u>(884)</u>	<u>9,151</u>
Other financing sources:				
Operating transfers in.....	100	100	-	90
Total other financing sources.....	<u>100</u>	<u>100</u>	<u>-</u>	<u>90</u>
Total revenues and other financing sources.....	<u>13,486</u>	<u>12,602</u>	<u>(884)</u>	<u>9,241</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Environmental affairs.....	9,453	8,947	506	9,130
Pension.....	778	778	-	922
Total expenditures.....	<u>10,231</u>	<u>9,725</u>	<u>506</u>	<u>10,052</u>
Other financing uses				
Fringe benefit cost assessment.....	-	-	-	1,188
Operating transfers out.....	11	11	-	11
Total other financing uses.....	<u>11</u>	<u>11</u>	<u>-</u>	<u>1,199</u>
Total expenditures and other financing uses.....	<u>10,242</u>	<u>9,736</u>	<u>506</u>	<u>11,251</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	3,244	2,866	(378)	(2,010)
Fund balance (deficit) at beginning of year.....	<u>3,381</u>	<u>3,381</u>	<u>-</u>	<u>5,391</u>
Fund balance (deficit) at end of year.....	<u>\$ 6,625</u>	<u>\$ 6,247</u>	<u>\$ (378)</u>	<u>\$ 3,381</u>

**Environmental Challenge Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 785	\$ 2,773
Accounts payable.....	1	11
Accrued payroll.....	11	10
Total liabilities.....	<u>797</u>	<u>2,794</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(797)</u>	<u>(2,794)</u>
Total fund balance (deficit).....	<u>(797)</u>	<u>(2,794)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

**Environmental Challenge Fund**  
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002 Budget</u>	<u>2002 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2001 Actual</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ 11,659	\$ 10,310	\$ (1,349)	\$ 10,626
Total revenues.....	<u>11,659</u>	<u>10,310</u>	<u>(1,349)</u>	<u>10,626</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>11,659</u>	<u>10,310</u>	<u>(1,349)</u>	<u>10,626</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Environmental affairs.....	6,998	6,928	70	6,624
Total expenditures.....	<u>6,998</u>	<u>6,928</u>	<u>70</u>	<u>6,624</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	1,385	(1,385)	1,709
Total other financing uses.....	-	1,385	(1,385)	1,709
Total expenditures and other financing uses.....	<u>6,998</u>	<u>8,313</u>	<u>(1,315)</u>	<u>8,333</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	4,661	1,997	(2,664)	2,293
Fund balance (deficit) at beginning of year.....	<u>(2,794)</u>	<u>(2,794)</u>	<u>-</u>	<u>(5,087)</u>
Fund balance (deficit) at end of year.....	<u>\$ 1,867</u>	<u>\$ (797)</u>	<u>\$ (2,664)</u>	<u>\$ (2,794)</u>

**Toxics Use Reduction Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 7,969	\$ 7,160
Accounts payable.....	307	418
Accrued payroll.....	140	108
Total liabilities.....	<u>8,416</u>	<u>7,686</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(8,416)</u>	<u>(7,686)</u>
Total fund balance (deficit).....	<u>(8,416)</u>	<u>(7,686)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

**Toxics Use Reduction Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002 Budget</u>	<u>2002 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2001 Actual</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ 4,971	\$ 4,396	\$ (575)	\$ 3,699
Total revenues.....	<u>4,971</u>	<u>4,396</u>	<u>(575)</u>	<u>3,699</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>4,971</u>	<u>4,396</u>	<u>(575)</u>	<u>3,699</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Environmental affairs.....	2,671	2,643	28	2,778
Higher education.....	<u>1,841</u>	<u>1,798</u>	<u>43</u>	<u>1,784</u>
Total expenditures.....	<u>4,512</u>	<u>4,441</u>	<u>71</u>	<u>4,562</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	683	(683)	870
Operating transfers out.....	<u>2</u>	<u>2</u>	<u>-</u>	<u>4</u>
Total other financing uses.....	<u>2</u>	<u>685</u>	<u>(683)</u>	<u>874</u>
Total expenditures and other financing uses.....	<u>4,514</u>	<u>5,126</u>	<u>(612)</u>	<u>5,436</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	457	(730)	(1,187)	(1,737)
Fund balance (deficit) at beginning of year.....	<u>(7,686)</u>	<u>(7,686)</u>	<u>-</u>	<u>(5,949)</u>
Fund balance (deficit) at end of year.....	<u>\$ (7,229)</u>	<u>\$ (8,416)</u>	<u>\$ (1,187)</u>	<u>\$ (7,686)</u>

**Clean Environment Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 31,030	\$ 22,775
Total assets.....	<u>\$ 31,030</u>	<u>\$ 22,775</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 7,561	\$ 3,326
Accrued payroll.....	<u>566</u>	<u>566</u>
Total liabilities.....	<u>8,127</u>	<u>3,892</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>22,903</u>	<u>18,883</u>
Total fund balance (deficit).....	<u>22,903</u>	<u>18,883</u>
Total liabilities and fund balance.....	<u>\$ 31,030</u>	<u>\$ 22,775</u>

**Clean Environment Fund**  
**Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Miscellaneous.....	\$ 41,962	\$ 37,109	\$ (4,853)	\$ 31,422
Total revenues.....	41,962	37,109	(4,853)	31,422
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	41,962	37,109	(4,853)	31,422
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Administration and finance.....	187	174	13	175
Environmental affairs.....	30,371	29,945	426	23,200
Health & human services.....	-	-	-	10
Transportation and construction.....	-	-	-	44
Higher education.....	88	43	45	-
Public safety.....	75	75	-	-
Total expenditures.....	30,721	30,237	484	23,429
Other financing uses:				
Fringe benefit cost assessment.....	-	2,851	(2,851)	3,658
Operating transfers out.....	1	1	-	6
Total other financing uses.....	1	2,852	(2,851)	3,664
Total expenditures and other financing uses.....	30,722	33,089	(2,367)	27,093
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	11,240	4,020	(7,220)	4,329
Fund balance (deficit) at beginning of year.....	18,883	18,883	-	14,554
Fund balance (deficit) at end of year.....	\$ 30,123	\$ 22,903	\$ (7,220)	\$ 18,883

**Environmental Permitting And Compliance Assurance Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 50,870	\$ 43,153
Accounts payable.....	<u>2</u>	<u>2</u>
Total liabilities.....	<u>50,872</u>	<u>43,155</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(50,872)</u>	<u>(43,155)</u>
Total fund balance (deficit).....	<u>(50,872)</u>	<u>(43,155)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

**Environmental Permitting And Compliance Assurance Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ 6,122	\$ 5,326	\$ (796)	\$ 5,406
Miscellaneous.....	-	88	88	238
Total revenues.....	<u>6,122</u>	<u>5,414</u>	<u>(708)</u>	<u>5,644</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>6,122</u>	<u>5,414</u>	<u>(708)</u>	<u>5,644</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Environmental affairs.....	11,264	11,224	40	11,710
Health & human services.....	-	-	-	17
Total expenditures.....	<u>11,264</u>	<u>11,224</u>	<u>40</u>	<u>11,727</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	1,907	(1,907)	2,598
Total other financing uses.....	<u>-</u>	<u>1,907</u>	<u>(1,907)</u>	<u>2,598</u>
Total expenditures and other financing uses.....	<u>11,264</u>	<u>13,131</u>	<u>(1,867)</u>	<u>14,325</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(5,142)	(7,717)	(2,575)	(8,681)
Fund balance (deficit) at beginning of year.....	<u>(43,155)</u>	<u>(43,155)</u>	<u>-</u>	<u>(34,474)</u>
Fund balance (deficit) at end of year.....	<u>\$ (48,297)</u>	<u>\$ (50,872)</u>	<u>\$ (2,575)</u>	<u>\$ (43,155)</u>

**Underground Storage Tank Petroleum Product Cleanup Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 18,429	\$ 12,505
Accounts payable.....	905	1,388
Accrued payroll.....	<u>26</u>	<u>27</u>
Total liabilities.....	<u>19,360</u>	<u>13,920</u>
Fund equity:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(19,360)</u>	<u>(13,920)</u>
Total fund balance (deficit).....	<u>(19,360)</u>	<u>(13,920)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

**Underground Storage Tank Petroleum Product Cleanup Fund**  
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ 18,878	\$ 16,694	\$ (2,184)	\$ 16,617
Miscellaneous.....	-	-	-	150
Total revenues.....	<u>18,878</u>	<u>16,694</u>	<u>(2,184)</u>	<u>16,767</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>18,878</u>	<u>16,694</u>	<u>(2,184)</u>	<u>16,767</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Administration and finance.....	22,698	20,981	1,717	30,156
Environmental affairs.....	692	691	1	662
Public safety.....	176	176	-	166
Total expenditures.....	<u>23,566</u>	<u>21,848</u>	<u>1,718</u>	<u>30,984</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	285	(285)	379
Operating transfers out.....	1	1	-	2
Total other financing uses.....	<u>1</u>	<u>286</u>	<u>(285)</u>	<u>381</u>
Total expenditures and other financing uses.....	<u>23,567</u>	<u>22,134</u>	<u>1,433</u>	<u>31,365</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(4,689)	(5,440)	(751)	(14,598)
Fund balance (deficit) at beginning of year.....	(13,920)	(13,920)	-	678
Fund balance (deficit) at end of year.....	<u>\$ (18,609)</u>	<u>\$ (19,360)</u>	<u>\$ (751)</u>	<u>\$ (13,920)</u>

**Environmental Law Enforcement Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 3,956	\$ 3,403
Accounts payable.....	149	105
Accrued payroll.....	<u>377</u>	<u>367</u>
Total liabilities.....	<u>4,482</u>	<u>3,875</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(4,482)</u>	<u>(3,875)</u>
Total fund balance (deficit) .....	<u>(4,482)</u>	<u>(3,875)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

**Environmental Law Enforcement Fund**  
**Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 1,843	\$ 1,759	\$ (84)	\$ 1,734
Departmental.....	4,719	4,170	(549)	3,587
Miscellaneous.....	-	3	3	-
Total revenues.....	<u>6,562</u>	<u>5,932</u>	<u>(630)</u>	<u>5,321</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>6,562</u>	<u>5,932</u>	<u>(630)</u>	<u>5,321</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Environmental affairs.....	5,680	5,630	50	5,176
Total expenditures.....	<u>5,680</u>	<u>5,630</u>	<u>50</u>	<u>5,176</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	890	(890)	1,090
Operating transfers out.....	19	19	-	16
Total other financing uses.....	19	909	(890)	1,106
Total expenditures and other financing uses.....	<u>5,699</u>	<u>6,539</u>	<u>(840)</u>	<u>6,282</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	863	(607)	(1,470)	(961)
Fund balance (deficit) at beginning of year.....	<u>(3,875)</u>	<u>(3,875)</u>	<u>-</u>	<u>(2,914)</u>
Fund balance (deficit) at end of year.....	<u>\$ (3,012)</u>	<u>\$ (4,482)</u>	<u>\$ (1,470)</u>	<u>\$ (3,875)</u>

**Public Access Fund**  
Balance Sheet - Statutory Basis

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 12	\$ 194
Accounts payable.....	377	75
Accrued payroll.....	<u>25</u>	<u>27</u>
Total liabilities.....	<u>414</u>	<u>296</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	362	838
Unreserved fund balance (deficit):		
Undesignated.....	<u>(776)</u>	<u>(1,134)</u>
Total fund balance (deficit).....	<u>(414)</u>	<u>(296)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

**Public Access Fund**  
**Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 921	\$ 879	\$ (42)	\$ 867
Federal grants and reimbursements.....	46	48	2	-
Departmental.....	-	9	9	11
Miscellaneous.....	-	-	-	1
Total revenues.....	<u>967</u>	<u>936</u>	<u>(31)</u>	<u>879</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>967</u>	<u>936</u>	<u>(31)</u>	<u>879</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Environmental affairs.....	1,450	940	510	747
Total expenditures.....	<u>1,450</u>	<u>940</u>	<u>510</u>	<u>747</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	113	(113)	144
Operating transfers out.....	1	1	-	1
Total other financing uses.....	1	114	(113)	145
Total expenditures and other financing uses.....	<u>1,451</u>	<u>1,054</u>	<u>397</u>	<u>892</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(484)	(118)	366	(13)
Fund balance (deficit) at beginning of year.....	(296)	(296)	-	(283)
Fund balance (deficit) at end of year.....	<u>\$ (780)</u>	<u>\$ (414)</u>	<u>\$ 366</u>	<u>\$ (296)</u>

**Harbors And Inland Waters Maintenance Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 6,101	\$ 5,928
Accounts payable.....	110	1,642
Accrued payroll.....	<u>33</u>	<u>29</u>
Total liabilities.....	<u>6,244</u>	<u>7,599</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	-	1,448
Unreserved fund balance (deficit):		
Undesignated.....	<u>(6,244)</u>	<u>(9,047)</u>
Total fund balance (deficit).....	<u>(6,244)</u>	<u>(7,599)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

**Harbors And Inland Waters Maintenance Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002 Budget</u>	<u>2002 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2001 Actual</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 3,072	\$ 2,932	\$ (140)	\$ 2,889
Miscellaneous.....	-	6	6	15
Total revenues.....	<u>3,072</u>	<u>2,938</u>	<u>(134)</u>	<u>2,904</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>3,072</u>	<u>2,938</u>	<u>(134)</u>	<u>2,904</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Environmental affairs.....	1,639	1,416	223	5,769
Total expenditures.....	<u>1,639</u>	<u>1,416</u>	<u>223</u>	<u>5,769</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	164	(164)	195
Operating transfers out.....	3	3	-	2
Total other financing uses.....	<u>3</u>	<u>167</u>	<u>(164)</u>	<u>197</u>
Total expenditures and other financing uses.....	<u>1,642</u>	<u>1,583</u>	<u>59</u>	<u>5,966</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	1,430	1,355	(75)	(3,062)
Fund balance (deficit) at beginning of year.....	<u>(7,599)</u>	<u>(7,599)</u>	<u>-</u>	<u>(4,537)</u>
Fund balance (deficit) at end of year.....	<u>\$ (6,169)</u>	<u>\$ (6,244)</u>	<u>\$ (75)</u>	<u>\$ (7,599)</u>

**Marine Fisheries Fund**  
**Balance Sheet- Statutory Basis**

June 30, 2002

(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 5,773	\$ 4,697
Accounts payable.....	589	490
Accrued payroll.....	<u>136</u>	<u>143</u>
Total liabilities.....	<u>6,498</u>	<u>5,330</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(6,498)</u>	<u>(5,330)</u>
Total fund balance (deficit).....	<u>(6,498)</u>	<u>(5,330)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

**Marine Fisheries Fund**  
**Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 1,843	\$ 1,760	\$ (83)	\$ 1,734
Federal grants and reimbursements.....	356	370	14	974
Departmental.....	3,119	2,756	(363)	2,558
Miscellaneous.....	-	3	3	1
Total revenues.....	<u>5,318</u>	<u>4,889</u>	<u>(429)</u>	<u>5,267</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>5,318</u>	<u>4,889</u>	<u>(429)</u>	<u>5,267</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Environmental affairs.....	5,380	5,232	148	5,171
Total expenditures.....	<u>5,380</u>	<u>5,232</u>	<u>148</u>	<u>5,171</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	817	(817)	1,060
Operating transfers out.....	8	8	-	7
Total other financing uses.....	8	825	(817)	1,067
Total expenditures and other financing uses.....	<u>5,388</u>	<u>6,057</u>	<u>(669)</u>	<u>6,238</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(70)	(1,168)	(1,098)	(971)
Fund balance (deficit) at beginning of year.....	(5,330)	(5,330)	-	(4,359)
Fund balance (deficit) at end of year.....	<u>\$ (5,400)</u>	<u>\$ (6,498)</u>	<u>\$ (1,098)</u>	<u>\$ (5,330)</u>

**Watershed Management Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Receivables, net of allowance for uncollectibles:		
Other receivables.....	\$ 5,399	\$ 3,454
Total assets.....	<u>\$ 5,399</u>	<u>\$ 3,454</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 7,503	\$ 6,380
Accounts payable.....	-	1,102
Accrued payroll.....	-	303
Total liabilities.....	<u>7,503</u>	<u>7,785</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	155	-
Unreserved fund balance (deficit):		
Undesignated.....	<u>(2,259)</u>	<u>(4,331)</u>
Total fund balance (deficit).....	<u>(2,104)</u>	<u>(4,331)</u>
Total liabilities and fund balance.....	<u>\$ 5,399</u>	<u>\$ 3,454</u>

**Watershed Management Fund**  
**Statement of Revenues, Expenditures And Change In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Assessments.....	\$ -	\$ 21,446	\$ 21,446	\$ 6,064
Departmental.....	25,914	950	(24,964)	1,140
Miscellaneous.....	-	521	521	457
Total revenues.....	<u>25,914</u>	<u>22,917</u>	<u>(2,997)</u>	<u>7,661</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>25,914</u>	<u>22,917</u>	<u>(2,997)</u>	<u>7,661</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Administration and finance.....	1	1	-	-
Environmental affairs.....	9,439	8,805	634	10,028
Public safety.....	75	75	-	-
Total expenditures.....	<u>9,515</u>	<u>8,881</u>	<u>634</u>	<u>10,028</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	1,467	(1,467)	1,996
Operating transfers out.....	10,342	10,342	-	16
Total other financing uses.....	<u>10,342</u>	<u>11,809</u>	<u>(1,467)</u>	<u>2,012</u>
Total expenditures and other financing uses.....	<u>19,857</u>	<u>20,690</u>	<u>(833)</u>	<u>12,040</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	6,057	2,227	(3,830)	(4,379)
Fund balance (deficit) at beginning of year.....	<u>(4,331)</u>	<u>(4,331)</u>	-	48
Fund balance (deficit) at end of year.....	<u>\$ 1,726</u>	<u>\$ (2,104)</u>	<u>\$ (3,830)</u>	<u>\$ (4,331)</u>

**Low Level Radioactive Waste Management Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 433	\$ 485
Accounts payable.....	-	15
Accrued payroll.....	-	5
Total liabilities.....	<u>433</u>	<u>505</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	(433)	(505)
Total fund balance (deficit).....	<u>(433)</u>	<u>(505)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

**Low Level Radioactive Waste Management Fund**  
**Statements Of Revenues, Expenditures And Changes In Fund Equity - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Assessments.....	\$ 208	\$ 184	\$ (24)	\$ 251
Departmental.....	-	-	-	1
Total revenues.....	<u>208</u>	<u>184</u>	<u>(24)</u>	<u>252</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>208</u>	<u>184</u>	<u>(24)</u>	<u>252</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Environmental affairs.....	92	92	-	215
Total expenditures.....	<u>92</u>	<u>92</u>	<u>-</u>	<u>215</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	20	(20)	41
Total other financing uses.....	-	20	(20)	41
Total expenditures and other financing uses.....	<u>92</u>	<u>112</u>	<u>(20)</u>	<u>256</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	116	72	(44)	(4)
Fund balance (deficit) at beginning of year.....	<u>(505)</u>	<u>(505)</u>	<u>-</u>	<u>(501)</u>
Fund balance (deficit) at end of year.....	<u>\$ (389)</u>	<u>\$ (433)</u>	<u>\$ (44)</u>	<u>\$ (505)</u>

**Asbestos Cost Recovery Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 6,309	\$ 5,784
Total assets.....	<u>\$ 6,309</u>	<u>\$ 5,784</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	-	2,140
Unreserved fund balance (deficit):		
Undesignated.....	<u>6,309</u>	<u>3,644</u>
Total fund balance (deficit).....	<u>6,309</u>	<u>5,784</u>
Total liabilities and fund balance.....	<u>\$ 6,309</u>	<u>\$ 5,784</u>

**Asbestos Cost Recovery Fund**  
**Statement Of Revenues, Expenditures And Change In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Miscellaneous.....	\$ 1,754	\$ 1,551	\$ (203)	\$ 2,763
Total revenues.....	1,754	1,551	(203)	2,763
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	1,754	1,551	(203)	2,763
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Administration and finance.....	2,440	1,026	1,414	151
Total expenditures.....	2,440	1,026	1,414	151
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other financing uses.....	2,440	1,026	1,414	151
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(686)	525	1,211	2,612
Fund balance (deficit) at beginning of year.....	5,784	5,784	-	3,172
Fund balance (deficit) at end of year.....	\$ 5,098	\$ 6,309	\$ 1,211	\$ 5,784

**Clean Air Act Compliance Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 1,121	\$ 242
Accounts payable.....	462	719
Accrued payroll.....	<u>117</u>	<u>87</u>
Total liabilities.....	<u>1,700</u>	<u>1,048</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(1,700)</u>	<u>(1,048)</u>
Total fund balance (deficit).....	<u>(1,700)</u>	<u>(1,048)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

**Clean Air Act Compliance Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ 3,587	\$ 3,173	\$ (414)	\$ 3,154
Total revenues.....	<u>3,587</u>	<u>3,173</u>	<u>(414)</u>	<u>3,154</u>
Other financing sources:				
Operating transfers in.....	-	394	394	465
Total other financing sources.....	<u>-</u>	<u>394</u>	<u>394</u>	<u>465</u>
Total revenues and other financing sources.....	<u>3,587</u>	<u>3,567</u>	<u>(20)</u>	<u>3,619</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Attorney General .....	36	2	34	19
Environmental affairs.....	3,773	3,600	173	3,406
Health & human services.....	7	6	1	53
Total expenditures.....	<u>3,816</u>	<u>3,608</u>	<u>207</u>	<u>3,478</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	611	(611)	693
Total other financing uses.....	<u>-</u>	<u>611</u>	<u>(611)</u>	<u>693</u>
Total expenditures and other financing uses.....	<u>3,816</u>	<u>4,219</u>	<u>(404)</u>	<u>4,171</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(229)	(652)	(423)	(552)
Fund balance (deficit) at beginning of year.....	<u>(1,048)</u>	<u>(1,048)</u>	<u>-</u>	<u>(496)</u>
Fund balance (deficit) at end of year.....	<u>\$ (1,277)</u>	<u>\$ (1,700)</u>	<u>\$ (423)</u>	<u>\$ (1,048)</u>

**Solid Waste Disposal Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 3	\$ 3
Total assets.....	<u>\$ 3</u>	<u>\$ 3</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>3</u>	<u>3</u>
Total fund balance (deficit).....	<u>3</u>	<u>3</u>
Total liabilities and fund balance.....	<u>\$ 3</u>	<u>\$ 3</u>

**Solid Waste Disposal Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ 1
Total revenues.....	-	-	-	1
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	-	-	-	1
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Environmental affairs.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other financing uses.....	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	-	-	-	1
Fund balance (deficit) at beginning of year.....	3	3	-	2
Fund balance (deficit) at end of year.....	\$ 3	\$ 3	\$ -	\$ 3

**Second Century Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 1,681	\$ 2,471
Accounts payable.....	1,138	1,123
Total liabilities.....	<u>2,819</u>	<u>3,594</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(2,819)</u>	<u>(3,594)</u>
Total fund balance (deficit).....	<u>(2,819)</u>	<u>(3,594)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

**Second Century Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ 4,160	\$ 3,679	\$ (481)	\$ 2,836
Total revenues.....	4,160	3,679	(481)	2,836
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	4,160	3,679	(481)	2,836
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Environmental affairs.....	3,300	2,904	396	1,587
Total expenditures.....	3,300	2,904	396	1,587
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other financing uses.....	3,300	2,904	396	1,587
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	860	775	(85)	1,249
Fund balance (deficit) at beginning of year.....	(3,594)	(3,594)	-	(4,843)
Fund balance (deficit) at end of year.....	\$ (2,734)	\$ (2,819)	\$ (85)	\$ (3,594)

**Safe Drinking Water Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 146	\$ 208
Total assets.....	<u>\$ 146</u>	<u>\$ 208</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 30	\$ 72
Accrued payroll.....	<u>66</u>	<u>59</u>
Total liabilities.....	<u>96</u>	<u>131</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>50</u>	<u>77</u>
Total fund balance (deficit).....	<u>50</u>	<u>77</u>
Total liabilities and fund balance.....	<u>\$ 146</u>	<u>\$ 208</u>

**Safe Drinking Water Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Assessments.....	\$ 2,492	\$ 2,205	\$ (287)	\$ 2,138
Total revenues.....	<u>2,492</u>	<u>2,205</u>	<u>(287)</u>	<u>2,138</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>2,492</u>	<u>2,205</u>	<u>(287)</u>	<u>2,138</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Attorney General.....	106	106	-	106
Environmental affairs.....	1,834	1,751	83	1,655
Total expenditures.....	<u>1,940</u>	<u>1,857</u>	<u>83</u>	<u>1,761</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	375	(375)	456
Total other financing uses.....	<u>-</u>	<u>375</u>	<u>(375)</u>	<u>456</u>
Total expenditures and other financing uses.....	<u>1,940</u>	<u>2,232</u>	<u>(292)</u>	<u>2,217</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	552	(27)	(579)	(79)
Fund balance (deficit) at beginning of year.....	77	77	-	156
Fund balance (deficit) at end of year.....	<u>\$ 629</u>	<u>\$ 50</u>	<u>\$ (579)</u>	<u>\$ 77</u>

**Ratepayer Parity Trust Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 31,793	\$ 31,262
Total assets.....	<u>\$ 31,793</u>	<u>\$ 31,262</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	31,793	31,262
Total fund balance (deficit).....	<u>31,793</u>	<u>31,262</u>
Total liabilities and fund balance.....	<u>\$ 31,793</u>	<u>\$ 31,262</u>

**Ratepayer Parity Trust Fund**  
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002 Budget</u>	<u>2002 Actual</u>	Variance Favorable (Unfavorable)	<u>2001 Actual</u>
<b>REVENUES AND OTHER SOURCES</b>				
Revenues:				
Taxes.....	\$ -	\$ 404	\$ 404	\$ 31,262
Miscellaneous.....	-	127	127	-
Total revenues.....	-	531	531	31,262
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	-	531	531	31,262
<b>EXPENDITURES AND OTHER USES</b>				
Expenditures:				
Administration and finance.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	-	531	531	31,262
Fund balance (deficit) at beginning of year.....	31,262	31,262	-	-
Fund balance (deficit) at end of year.....	<u>\$ 31,262</u>	<u>\$ 31,793</u>	<u>\$ 531</u>	<u>\$ 31,262</u>

**Child Support Penalty Fee Fund**  
Balance Sheet - Statutory Basis

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 498	\$ 87
Total liabilities.....	<u>498</u>	<u>87</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	(498)	(87)
Total fund balance (deficit).....	<u>(498)</u>	<u>(87)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

**Child Support Penalty Fee Fund**  
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ 885	\$ 784	\$ (101)	\$ 661
Total revenues.....	885	784	(101)	661
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	885	784	(101)	661
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Judiciary.....	-	-	-	82
District Attorney.....	-	-	-	7
Administration and finance.....	1,033	1,029	4	1,385
Health & human services.....	-	-	-	6
Labor.....	-	-	-	3
Total expenditures.....	1,033	1,029	4	1,483
Other financing uses:				
Fringe benefit cost assessment.....	-	166	(166)	334
Total other financing uses.....	-	166	(166)	334
Total expenditures and other financing uses.....	1,033	1,195	(162)	1,817
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(148)	(411)	(263)	(1,156)
Fund balance (deficit) at beginning of year.....	(87)	(87)	-	1,069
Fund balance (deficit) at end of year.....	\$ (235)	\$ (498)	\$ (263)	\$ (87)

**Workforce Training Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 51,461	\$ 40,938
Total assets.....	<u>\$ 51,461</u>	<u>\$ 40,938</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 2,946	\$ 2,051
Accrued payroll.....	26	20
Total liabilities.....	<u>2,972</u>	<u>2,071</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	23,000	18,277
Unreserved fund balance (deficit):		
Undesignated.....	25,489	20,590
Total fund balance (deficit).....	<u>48,489</u>	<u>38,867</u>
Total liabilities and fund balance.....	<u>\$ 51,461</u>	<u>\$ 40,938</u>

**Workforce Training Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002 Budget</u>	<u>2002 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2001 Actual</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 10,000	\$ 22,198	\$ 12,198	\$ 23,674
Total revenues.....	<u>10,000</u>	<u>22,198</u>	<u>12,198</u>	<u>23,674</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>10,000</u>	<u>22,198</u>	<u>12,198</u>	<u>23,674</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Labor.....	36,274	12,445	23,829	8,009
Total expenditures.....	<u>36,274</u>	<u>12,445</u>	<u>23,829</u>	<u>8,009</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	129	(129)	148
Operating transfers out.....	2	2	-	1
Total other financing uses.....	<u>2</u>	<u>131</u>	<u>(129)</u>	<u>149</u>
Total expenditures and other financing uses.....	<u>36,276</u>	<u>12,576</u>	<u>23,700</u>	<u>8,158</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses....	(26,276)	9,622	35,898	15,516
Fund balance (deficit) at beginning of year.....	38,867	38,867	-	23,351
Fund balance (deficit) at end of year.....	<u>\$ 12,591</u>	<u>\$ 48,489</u>	<u>\$ 35,898</u>	<u>\$ 38,867</u>

**Brownfields Revitalization Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 14,116	\$ 16,130
Total assets.....	<u>\$ 14,116</u>	<u>\$ 16,130</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 13	\$ 8
Accrued payroll.....	<u>6</u>	<u>6</u>
Total liabilities.....	<u>19</u>	<u>14</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	13,109	13,009
Unreserved fund balance (deficit):		
Undesignated.....	<u>988</u>	<u>3,107</u>
Total fund balance (deficit).....	<u>14,097</u>	<u>16,116</u>
Total liabilities and fund balance.....	<u>\$ 14,116</u>	<u>\$ 16,130</u>

**Brownfields Revitalization Fund**  
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Miscellaneous.....	\$ 450	\$ 397	\$ (53)	\$ 1,470
Total revenues.....	450	397	(53)	1,470
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	450	397	(53)	1,470
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Environmental affairs.....	2,483	-	2,483	-
Economic development.....	13,009	2,382	10,627	10,175
Total expenditures.....	15,492	2,382	13,110	10,175
Other financing uses:				
Fringe benefit cost assessment.....	-	34	(34)	43
Total other financing uses.....	-	34	(34)	43
Total expenditures and other financing uses.....	15,492	2,416	13,076	10,218
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(15,042)	(2,019)	13,023	(8,748)
Fund balance (deficit) at beginning of year.....	16,116	16,116	-	24,864
Fund balance (deficit) at end of year.....	\$ 1,074	\$ 14,097	\$ 13,023	\$ 16,116

**Firearms Records Keeping Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 1,713	\$ 1,384
Total assets.....	<u>\$ 1,713</u>	<u>\$ 1,384</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accrued payroll.....	\$ 17	\$ -
Total liabilities.....	<u>17</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	1,696	1,384
Total fund balance (deficit).....	<u>1,696</u>	<u>1,384</u>
Total liabilities and fund balance.....	<u>\$ 1,713</u>	<u>\$ 1,384</u>

**Firearms Records Keeping Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ 586	\$ 518	\$ (68)	\$ 534
Total revenues.....	<u>586</u>	<u>518</u>	<u>(68)</u>	<u>534</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>586</u>	<u>518</u>	<u>(68)</u>	<u>534</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Public safety.....	200	173	27	-
Total expenditures.....	<u>200</u>	<u>173</u>	<u>27</u>	<u>-</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	33	(33)	-
Total other financing uses.....	<u>-</u>	<u>33</u>	<u>(33)</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>200</u>	<u>206</u>	<u>(6)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	386	312	(74)	534
Fund balance (deficit) at beginning of year.....	1,384	1,384	-	850
Fund balance (deficit) at end of year.....	<u>\$ 1,770</u>	<u>\$ 1,696</u>	<u>\$ (74)</u>	<u>\$ 1,384</u>

**Massachusetts Clean Elections Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 24,043	\$ 23,016
Total assets.....	<u>\$ 24,043</u>	<u>\$ 23,016</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	24,043	23,016
Total fund balance (deficit).....	24,043	23,016
Total liabilities and fund balance.....	<u>\$ 24,043</u>	<u>\$ 23,016</u>

**Massachusetts Clean Elections Fund**  
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ 1,161	\$ 796	\$ (365)	\$ 442
Miscellaneous.....	-	587	587	1,193
Total revenues.....	<u>1,161</u>	<u>1,383</u>	<u>222</u>	<u>1,635</u>
Other financing sources:				
Operating transfers in.....	-	-	-	10,000
Total other financing sources.....	-	-	-	10,000
Total revenues and other financing sources.....	<u>1,161</u>	<u>1,383</u>	<u>222</u>	<u>11,635</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Office of Campaign & Political Finance.....	-	356	(356)	-
Total expenditures.....	-	356	(356)	-
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other financing uses.....	-	356	(356)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	1,161	1,027	(134)	11,635
Fund balance (deficit) at beginning of year.....	23,016	23,016	-	11,381
Fund balance (deficit) at end of year.....	<u>\$ 24,177</u>	<u>\$ 24,043</u>	<u>\$ (134)</u>	<u>\$ 23,016</u>

**Tobacco Settlement Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 65,747	\$ 52,487
Due from federal government.....	240	44
Total assets.....	<u>\$ 65,987</u>	<u>\$ 52,531</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 12,350	\$ 19,109
Accrued payroll.....	61	50
Total liabilities.....	<u>12,411</u>	<u>19,159</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	7,485	10,763
Unreserved fund balance (deficit):		
Undesignated.....	46,091	22,609
Total fund balance (deficit).....	<u>53,576</u>	<u>33,372</u>
Total liabilities and fund balance.....	<u>\$ 65,987</u>	<u>\$ 52,531</u>

**Tobacco Settlement Fund**  
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Federal grants & reimbursements.....	\$ 5,097	\$ 5,307	\$ 210	\$ 80
Departmental.....	4,598	3,414	(1,184)	-
Miscellaneous.....	-	1,059	1,059	3,478
Total revenues.....	<u>9,695</u>	<u>9,780</u>	<u>85</u>	<u>3,558</u>
Other financing sources:				
Tobacco settlement transfer.....	154,728	154,728	-	81,506
Total other financing sources.....	<u>154,728</u>	<u>154,728</u>	<u>-</u>	<u>81,506</u>
Total revenues and other financing sources.....	<u>164,423</u>	<u>164,508</u>	<u>85</u>	<u>85,064</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Sheriff's Departments .....	42	39	3	28
Administration and finance.....	10,763	162	10,601	237
Communities & development.....	-	-	-	1,500
Health and human services.....	55,027	42,160	12,867	28,370
Higher education.....	230	221	9	218
Public safety.....	185	173	12	106
Elder affairs.....	104,859	87,384	17,475	25,486
Medicaid.....	29,500	13,868	15,632	35,360
Total expenditures.....	<u>200,606</u>	<u>144,007</u>	<u>56,599</u>	<u>91,305</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	296	(296)	234
Operating transfer out.....	1	1	-	1
Total other financing uses.....	<u>1</u>	<u>297</u>	<u>(296)</u>	<u>235</u>
Total expenditures and other financing uses.....	<u>200,607</u>	<u>144,304</u>	<u>56,303</u>	<u>91,540</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(36,184)	20,204	56,388	(6,476)
Fund balance (deficit) at beginning of year.....	<u>33,372</u>	<u>33,372</u>	<u>-</u>	<u>39,848</u>
Fund balance (deficit) at end of year.....	<u>\$ (2,812)</u>	<u>\$ 53,576</u>	<u>\$ 56,388</u>	<u>\$ 33,372</u>

**Antitrust Enforcement Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 2,901	\$ 2,765
Total liabilities.....	<u>2,901</u>	<u>2,765</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	(2,901)	(2,765)
Total fund balance (deficit).....	<u>(2,901)</u>	<u>(2,765)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

**Antitrust Enforcement Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002 Budget</u>	<u>2002 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2001 Actual</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ 412	\$ 364	\$ (48)	\$ 274
Total revenues.....	<u>412</u>	<u>364</u>	<u>(48)</u>	<u>274</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>412</u>	<u>364</u>	<u>(48)</u>	<u>274</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Attorney General.....	428	427	1	428
Administrations and finance.....	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>
Total expenditures.....	<u>429</u>	<u>428</u>	<u>1</u>	<u>428</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	72	(72)	92
Total other financing uses.....	<u>-</u>	<u>72</u>	<u>(72)</u>	<u>92</u>
Total expenditures and other financing uses.....	<u>429</u>	<u>500</u>	<u>(71)</u>	<u>520</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(17)	(136)	(119)	(246)
Fund balance (deficit) at beginning of year.....	<u>(2,765)</u>	<u>(2,765)</u>	<u>-</u>	<u>(2,519)</u>
Fund balance (deficit) at end of year.....	<u>\$ (2,782)</u>	<u>\$ (2,901)</u>	<u>\$ (119)</u>	<u>\$ (2,765)</u>

**Victim and Witness Assistance Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 13,279	\$ 10,283
Accounts payable.....	26	34
Accrued payroll.....	18	18
Total liabilities.....	<u>13,323</u>	<u>10,335</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	-	6
Unreserved fund balance (deficit):		
Undesignated.....	<u>(13,323)</u>	<u>(10,341)</u>
Total fund balance (deficit).....	<u>(13,323)</u>	<u>(10,335)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

**Victim and Witness Assistance Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ 9,192	\$ 8,129	\$ (1,063)	\$ 8,638
Total revenues.....	9,192	8,129	(1,063)	8,638
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	9,192	8,129	(1,063)	8,638
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Attorney General.....	1,043	1,038	5	935
District Attorney.....	8,263	8,237	26	8,298
Sheriff's Departments.....	1	1	-	-
Public safety.....	284	251	33	207
Total expenditures.....	9,591	9,527	64	9,440
Other financing uses:				
Fringe benefit cost assessment.....	-	1,589	(1,589)	2,048
Operating transfers out.....	1	1	-	1
Total other financing uses.....	1	1,590	(1,589)	2,049
Total expenditures and other financing uses.....	9,592	11,117	(1,525)	11,489
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(400)	(2,988)	(2,588)	(2,851)
Fund balance (deficit) at beginning of year.....	(10,335)	(10,335)	-	(7,484)
Fund balance (deficit) at end of year.....	<u>\$ (10,735)</u>	<u>\$ (13,323)</u>	<u>\$ (2,588)</u>	<u>\$ (10,335)</u>

**Intercity Bus Capital Assistance Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 5,562	\$ 6,070
Total liabilities.....	<u>5,562</u>	<u>6,070</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	(5,562)	(6,070)
Total fund balance (deficit).....	<u>(5,562)</u>	<u>(6,070)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

**Intercity Bus Capital Assistance Fund**  
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ 727	\$ 644	\$ (83)	\$ 582
Total revenues.....	<u>727</u>	<u>644</u>	<u>(83)</u>	<u>582</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>727</u>	<u>644</u>	<u>(83)</u>	<u>582</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Debt service:				
Principal retirement.....	-	-	-	18
Interest and fiscal charges.....	136	136	-	137
Total expenditures.....	<u>136</u>	<u>136</u>	<u>-</u>	<u>155</u>
Other financing uses:				
Transfer for capital projects due to debt defeasance.....	-	-	-	27
Total other financing uses.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>27</u>
Total expenditures and other financing uses.....	<u>136</u>	<u>136</u>	<u>-</u>	<u>182</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	591	508	(83)	400
Fund balance (deficit) at beginning of year.....	<u>(6,070)</u>	<u>(6,070)</u>	<u>-</u>	<u>(6,470)</u>
Fund balance (deficit) at end of year.....	<u>\$ (5,479)</u>	<u>\$ (5,562)</u>	<u>\$ (83)</u>	<u>\$ (6,070)</u>

**Motorcycle Safety Fund**  
Balance Sheet - Statutory Basis

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 232	\$ 326
Total assets.....	<u>\$ 232</u>	<u>\$ 326</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ 39
Accrued payroll.....	-	1
Total liabilities.....	<u>-</u>	<u>40</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	232	286
Total fund balance (deficit).....	<u>232</u>	<u>286</u>
Total liabilities and fund balance.....	<u>\$ 232</u>	<u>\$ 326</u>

**Motorcycle Safety Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002 Budget</u>	<u>2002 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2001 Actual</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ -	\$ 93	\$ 93	\$ 251
Total revenues.....	<u>-</u>	<u>93</u>	<u>93</u>	<u>251</u>
Other financing sources:				
Operating transfers in.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>-</u>	<u>93</u>	<u>93</u>	<u>251</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Public safety.....	190	146	44	178
Total expenditures.....	<u>190</u>	<u>146</u>	<u>44</u>	<u>178</u>
Other financing uses:				
Fringe benefit cost assessment.....	<u>-</u>	<u>1</u>	<u>(1)</u>	<u>10</u>
Total other financing uses.....	<u>-</u>	<u>1</u>	<u>(1)</u>	<u>10</u>
Total expenditures and other financing uses.....	<u>190</u>	<u>147</u>	<u>43</u>	<u>188</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(190)	(54)	136	63
Fund balance (deficit) at beginning of year.....	286	286	-	223
Fund balance (deficit) at end of year.....	<u>\$ 96</u>	<u>\$ 232</u>	<u>\$ 136</u>	<u>\$ 286</u>

**Drug Analysis Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 354	\$ 292
Total assets.....	<u>\$ 354</u>	<u>\$ 292</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 62	\$ 1
Accrued payroll.....	<u>-</u>	<u>2</u>
Total liabilities.....	<u>62</u>	<u>3</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>292</u>	<u>289</u>
Total fund balance (deficit).....	<u>292</u>	<u>289</u>
Total liabilities and fund balance.....	<u>\$ 354</u>	<u>\$ 292</u>

**Drug Analysis Fund**  
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ -	\$ 90	\$ 90	\$ 92
Total revenues.....	<u>-</u>	<u>90</u>	<u>90</u>	<u>92</u>
Other financing sources:				
Operating transfers in.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>-</u>	<u>90</u>	<u>90</u>	<u>92</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Health and human services.....	100	87	13	73
Higher education.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>22</u>
Total expenditures.....	<u>100</u>	<u>87</u>	<u>13</u>	<u>95</u>
Other financing uses:				
Fringe benefit cost assessment.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>6</u>
Total other financing uses.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>6</u>
Total expenditures and other financing uses.....	<u>100</u>	<u>87</u>	<u>13</u>	<u>101</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(100)	3	103	(9)
Fund balance (deficit) at beginning of year.....	<u>289</u>	<u>289</u>	<u>-</u>	<u>298</u>
Fund balance (deficit) at end of year.....	<u>\$ 189</u>	<u>\$ 292</u>	<u>\$ 103</u>	<u>\$ 289</u>

**Trust Fund For The Head Injury Treatment Services Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 8,890	\$ 6,947
Total assets.....	<u>\$ 8,890</u>	<u>\$ 6,947</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 749	\$ 549
Accrued payroll.....	<u>3</u>	<u>-</u>
Total liabilities.....	<u>752</u>	<u>549</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>8,138</u>	<u>6,398</u>
Total fund balance (deficit).....	<u>8,138</u>	<u>6,398</u>
Total liabilities and fund balance.....	<u>\$ 8,890</u>	<u>\$ 6,947</u>

**Trust Fund For The Head Injury Treatment Services Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ 7,557	\$ 6,505	\$ (1,052)	\$ 6,570
Miscellaneous.....	-	178	178	52
Total revenues.....	<u>7,557</u>	<u>6,683</u>	<u>(874)</u>	<u>6,622</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>7,557</u>	<u>6,683</u>	<u>(874)</u>	<u>6,622</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Health and human services.....	5,450	4,894	556	2,143
Public safety.....	50	39	11	-
Total expenditures.....	<u>5,500</u>	<u>4,933</u>	<u>567</u>	<u>2,143</u>
Other financing uses:				
Fringe benefit cost assessment .....	-	10	(10)	-
Total other financing uses.....	<u>-</u>	<u>10</u>	<u>(10)</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>5,500</u>	<u>4,943</u>	<u>557</u>	<u>2,143</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses....	2,057	1,740	(317)	4,479
Fund balance (deficit) at beginning of year.....	<u>6,398</u>	<u>6,398</u>	<u>-</u>	<u>1,919</u>
Fund balance (deficit) at end of year.....	<u>\$ 8,455</u>	<u>\$ 8,138</u>	<u>\$ (317)</u>	<u>\$ 6,398</u>

**Massachusetts Tourism Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 5,157	\$ 3,403
Total assets.....	<u>\$ 5,157</u>	<u>\$ 3,403</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 2,189	\$ 2,740
Accrued payroll.....	<u>65</u>	<u>64</u>
Total liabilities.....	<u>2,254</u>	<u>2,804</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	-	410
Unreserved fund balance (deficit):		
Undesignated.....	<u>2,903</u>	<u>189</u>
Total fund balance (deficit).....	<u>2,903</u>	<u>599</u>
Total liabilities and fund balance.....	<u>\$ 5,157</u>	<u>\$ 3,403</u>

**Massachusetts Tourism Fund**  
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 41,925	\$ 34,844	\$ (7,081)	\$ 41,827
Total revenues.....	41,925	34,844	(7,081)	41,827
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	41,925	34,844	(7,081)	41,827
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Administration and finance.....	10,005	10,000	5	17,046
Transportation and construction.....	55	-	55	445
Economic development.....	23,397	22,152	1,245	24,727
Total expenditures.....	33,457	32,152	1,305	42,218
Other financing uses:				
Fringe benefit cost assessment.....	-	385	(385)	472
Operating transfers out.....	3	3	-	4
Total other financing uses.....	3	388	(385)	476
Total expenditures and other financing uses.....	33,460	32,540	920	42,694
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	8,465	2,304	(6,161)	(867)
Fund balance (deficit) at beginning of year.....	599	599	-	1,466
Fund balance (deficit) at end of year.....	\$ 9,064	\$ 2,903	\$ (6,161)	\$ 599

**Ponkapoag Recreational Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 202	\$ 276
Total assets.....	<u>\$ 202</u>	<u>\$ 276</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 164	\$ 265
Accrued payroll.....	<u>35</u>	<u>16</u>
Total liabilities.....	<u>199</u>	<u>281</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>3</u>	<u>(5)</u>
Total fund balance (deficit).....	<u>3</u>	<u>(5)</u>
Total liabilities and fund balance.....	<u>\$ 202</u>	<u>\$ 276</u>

**Ponkapoag Recreational Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002 Budget</u>	<u>2002 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2001 Actual</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ 1,001	\$ 885	\$ (116)	\$ 898
Total revenues.....	<u>1,001</u>	<u>885</u>	<u>(116)</u>	<u>898</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>1,001</u>	<u>885</u>	<u>(116)</u>	<u>898</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Environmental affairs.....	899	814	85	750
Total expenditures.....	<u>899</u>	<u>814</u>	<u>85</u>	<u>750</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	62	(62)	53
Operating transfers out.....	1	1	-	-
Total other financing uses.....	<u>1</u>	<u>63</u>	<u>(62)</u>	<u>53</u>
Total expenditures and other financing uses.....	<u>900</u>	<u>877</u>	<u>23</u>	<u>803</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	101	8	(93)	95
Fund balance (deficit) at beginning of year.....	<u>(5)</u>	<u>(5)</u>	<u>-</u>	<u>(100)</u>
Fund balance (deficit) at end of year.....	<u>\$ 96</u>	<u>\$ 3</u>	<u>\$ (93)</u>	<u>\$ (5)</u>

**Leo J. Martin Recreational Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ 136
Total assets.....	<u>\$ -</u>	<u>\$ 136</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 210	\$ -
Accounts payable.....	12	303
Accrued payroll.....	18	12
Total liabilities.....	<u>240</u>	<u>315</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	(240)	(179)
Total fund balance (deficit).....	(240)	(179)
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 136</u>

**Leo J. Martin Recreational Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ 501	\$ 443	\$ (58)	\$ 683
Total revenues.....	<u>501</u>	<u>443</u>	<u>(58)</u>	<u>683</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>501</u>	<u>443</u>	<u>(58)</u>	<u>683</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Environmental affairs.....	449	438	11	614
Total expenditures.....	<u>449</u>	<u>438</u>	<u>11</u>	<u>614</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	65	(65)	53
Operating transfers out.....	1	1	-	-
Total other financing uses.....	<u>1</u>	<u>66</u>	<u>(65)</u>	<u>53</u>
Total expenditures and other financing uses.....	<u>450</u>	<u>504</u>	<u>(54)</u>	<u>667</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	51	(61)	(112)	16
Fund balance (deficit) at beginning of year.....	<u>(179)</u>	<u>(179)</u>	<u>-</u>	<u>(195)</u>
Fund balance (deficit) at end of year.....	<u>\$ (128)</u>	<u>\$ (240)</u>	<u>\$ (112)</u>	<u>\$ (179)</u>

**Division of Insurance Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 360	\$ 261
Total assets.....	<u>\$ 360</u>	<u>\$ 261</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	360	261
Total fund balance (deficit) .....	<u>360</u>	<u>261</u>
Total liabilities and fund balance.....	<u>\$ 360</u>	<u>\$ 261</u>

**Division of Insurance Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002 Budget</u>	<u>2002 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2001 Actual</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ 5,097	\$ 4,507	\$ (590)	\$ 4,981
Total revenues.....	<u>5,097</u>	<u>4,507</u>	<u>(590)</u>	<u>4,981</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>5,097</u>	<u>4,507</u>	<u>(590)</u>	<u>4,981</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Consumer affairs.....	4,188	4,089	99	4,411
Total expenditures.....	<u>4,188</u>	<u>4,089</u>	<u>99</u>	<u>4,411</u>
Other financing uses:				
Fringe benefits cost assessment.....	-	319	(319)	420
Total other financing uses.....	-	319	(319)	420
Total expenditures and other financing uses.....	<u>4,188</u>	<u>4,408</u>	<u>(220)</u>	<u>4,831</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	909	99	(810)	150
Fund balance (deficit) at beginning of year.....	261	261	-	111
Fund balance (deficit) at end of year.....	<u>\$ 1,170</u>	<u>\$ 360</u>	<u>\$ (810)</u>	<u>\$ 261</u>

**Health Protection Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 22,438	\$ 24,278
Total assets.....	<u>\$ 22,438</u>	<u>\$ 24,278</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 8,009	\$ 11,409
Accrued payroll.....	<u>55</u>	<u>53</u>
Total liabilities.....	<u>8,064</u>	<u>11,462</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>14,374</u>	<u>12,816</u>
Total fund balance (deficit).....	<u>14,374</u>	<u>12,816</u>
Total liabilities and fund balance.....	<u>\$ 22,438</u>	<u>\$ 24,278</u>

# Health Protection Fund

## Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 87,600	\$ 89,674	\$ 2,074	\$ 88,205
Miscellaneous.....	221	194	(27)	13
Total revenues.....	87,821	89,868	2,047	88,218
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	87,821	89,868	2,047	88,218
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Judiciary.....	4	4	-	-
Attorney General.....	200	191	9	132
District Attorney.....	7	6	1	4
Sheriff's Departments.....	44	40	4	41
Health and human services.....	63,313	58,185	5,128	63,306
Education.....	25,129	23,876	1,253	24,251
Higher education.....	227	217	10	187
Public safety.....	5,355	5,223	132	5,319
Elder affairs.....	-	-	-	29
Total expenditures.....	94,279	87,742	6,537	93,269
Other financing uses:				
Fringe benefit cost assessment.....	-	567	(567)	675
Operating transfers out.....	1	1	-	1
Total other financing uses.....	1	568	(567)	676
Total expenditures and other financing uses.....	94,280	88,310	5,970	93,945
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses...	(6,459)	1,558	8,017	(5,727)
Fund balance (deficit) at beginning of year.....	12,816	12,816	-	18,543
Fund balance (deficit) at end of year.....	\$ 6,357	\$ 14,374	\$ 8,017	\$ 12,816

**State Building Management Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 5,898	\$ 7,253
Total assets.....	<u>\$ 5,898</u>	<u>\$ 7,253</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 23	\$ 31
Accrued payroll.....	<u>2</u>	<u>-</u>
Total liabilities.....	<u>25</u>	<u>31</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>5,873</u>	<u>7,222</u>
Total fund balance (deficit).....	<u>5,873</u>	<u>7,222</u>
Total liabilities and fund balance.....	<u>\$ 5,898</u>	<u>\$ 7,253</u>

**State Building Management Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002 Budget</u>	<u>2002 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2001 Actual</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ 20,291	\$ 17,717	\$ (2,574)	\$ 17,913
Miscellaneous.....	-	227	227	654
Total revenues.....	<u>20,291</u>	<u>17,944</u>	<u>(2,347)</u>	<u>18,567</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>20,291</u>	<u>17,944</u>	<u>(2,347)</u>	<u>18,567</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Administration and finance.....	19,369	19,289	80	19,496
Total expenditures.....	<u>19,369</u>	<u>19,289</u>	<u>80</u>	<u>19,496</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	4	(4)	-
Total other financing uses.....	-	4	(4)	-
Total expenditures and other financing uses.....	<u>19,369</u>	<u>19,293</u>	<u>76</u>	<u>19,496</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	922	(1,349)	(2,271)	(929)
Fund balance (deficit) at beginning of year.....	7,222	7,222	-	8,151
Fund balance (deficit) at end of year.....	<u>\$ 8,144</u>	<u>\$ 5,873</u>	<u>\$ (2,271)</u>	<u>\$ 7,222</u>

**Reggie Lewis Track and Athletic Center Building Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 486	\$ 453
Total assets.....	<u>\$ 486</u>	<u>\$ 453</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 31	\$ 31
Total liabilities.....	<u>31</u>	<u>31</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	455	422
Total fund balance (deficit).....	<u>455</u>	<u>422</u>
Total liabilities and fund balance.....	<u>\$ 486</u>	<u>\$ 453</u>

**Reggie Lewis Track and Athletic Center Building Fund**  
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ 344	\$ 303	\$ (41)	\$ 381
Total revenues.....	<u>344</u>	<u>303</u>	<u>(41)</u>	<u>381</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>344</u>	<u>303</u>	<u>(41)</u>	<u>381</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Higher education.....	273	270	3	271
Total expenditures.....	<u>273</u>	<u>270</u>	<u>3</u>	<u>271</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	-	-	-
Total other financing uses.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>273</u>	<u>270</u>	<u>3</u>	<u>271</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	71	33	(38)	110
Fund balance (deficit) at beginning of year.....	422	422	-	312
Fund balance (deficit) at end of year.....	<u>\$ 493</u>	<u>\$ 455</u>	<u>\$ (38)</u>	<u>\$ 422</u>

**Assisted Living Administrative Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 1,421	\$ 984
Total assets.....	<u>\$ 1,421</u>	<u>\$ 984</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 21	\$ 11
Accrued payroll.....	<u>9</u>	<u>10</u>
Total liabilities.....	<u>30</u>	<u>21</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>1,391</u>	<u>963</u>
Total fund balance (deficit).....	<u>1,391</u>	<u>963</u>
Total liabilities and fund balance.....	<u>\$ 1,421</u>	<u>\$ 984</u>

**Assisted Living Administrative Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ 885	\$ 784	\$ (101)	\$ 411
Total revenues.....	885	784	(101)	411
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	885	784	(101)	411
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Elder affairs.....	372	301	71	284
Total expenditures.....	372	301	71	284
Other financing uses:				
Fringe benefit cost assessment.....	-	54	(54)	69
Operating transfer out.....	1	1	-	-
Total other financing uses.....	1	55	(54)	69
Total expenditures and other financing uses.....	373	356	17	353
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	512	428	(84)	58
Fund balance (deficit) at beginning of year.....	963	963	-	905
Fund balance (deficit) at end of year.....	\$ 1,475	\$ 1,391	\$ (84)	\$ 963

**Children's and Seniors' Health Care Assistance Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Due from federal government.....	\$ 7,663	\$ 5,791
Total assets.....	<u>\$ 7,663</u>	<u>\$ 5,791</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 68,020	\$ 15,555
Accounts payable.....	<u>427</u>	<u>3,433</u>
Total liabilities.....	<u>68,447</u>	<u>18,988</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	351	85
Unreserved fund balance (deficit):		
Undesignated.....	<u>(61,135)</u>	<u>(13,282)</u>
Total fund balance (deficit).....	<u>(60,784)</u>	<u>(13,197)</u>
Total liabilities and fund balance.....	<u>\$ 7,663</u>	<u>\$ 5,791</u>

**Children's and Seniors' Health Care Assistance Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 87,600	\$ 92,112	\$ 4,512	\$ 90,631
Federal grants and reimbursements.....	378,280	393,887	15,607	313,092
Departmental.....	6,821	5,996	(825)	6,074
Miscellaneous.....	-	36	36	-
Total revenues.....	<u>472,701</u>	<u>492,031</u>	<u>19,330</u>	<u>409,797</u>
Other financing sources:				
Operating transfers in.....	81,952	81,952	-	80,952
Total other financing sources.....	<u>81,952</u>	<u>81,952</u>	<u>-</u>	<u>80,952</u>
Total revenues and other financing sources.....	<u>554,653</u>	<u>573,983</u>	<u>19,330</u>	<u>490,749</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Attorney General.....	13	13	-	2
Health and human services.....	20,396	19,668	728	46,970
Elder affairs.....	472	464	8	1,112
Consumer affairs.....	-	-	-	3
Medicaid.....	604,800	600,171	4,629	519,497
Total expenditures.....	<u>625,681</u>	<u>620,316</u>	<u>5,365</u>	<u>567,584</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	1,254	(1,254)	1,550
Total other financing uses.....	<u>-</u>	<u>1,254</u>	<u>(1,254)</u>	<u>1,550</u>
Total expenditures and other financing uses.....	<u>625,681</u>	<u>621,570</u>	<u>4,111</u>	<u>569,134</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses....	(71,028)	(47,587)	23,441	(78,385)
Fund balance (deficit) at beginning of year.....	(13,197)	(13,197)	-	65,188
Fund balance (deficit) at end of year.....	<u>\$ (84,225)</u>	<u>\$ (60,784)</u>	<u>\$ 23,441</u>	<u>\$ (13,197)</u>

**Diversity Awareness Education Trust Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 7	\$ 7
Total assets.....	<u>\$ 7</u>	<u>\$ 7</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	7	7
Total fund balance (deficit).....	<u>7</u>	<u>7</u>
Total liabilities and fund balance.....	<u>\$ 7</u>	<u>\$ 7</u>

**Diversity Awareness Education Trust Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ 3
Total revenues.....	-	-	-	3
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	-	-	-	3
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Environmental affairs.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other financing uses.....	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	-	-	-	3
Fund balance (deficit) at beginning of year.....	7	7	-	4
Fund balance (deficit) at end of year.....	<u>\$ 7</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ 7</u>

**Child Care Fund**  
Balance Sheet - Statutory Basis

June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>ASSETS</b>		
Due from federal government.....	\$ 32,661	\$ 60,113
Total assets.....	<u>\$ 32,661</u>	<u>\$ 60,113</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 888	\$ 27,164
Accounts payable.....	31,767	32,949
Total liabilities.....	<u>32,655</u>	<u>60,113</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	-	81
Unreserved fund balance (deficit):		
Undesignated.....	6	(81)
Total fund balance (deficit).....	<u>6</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 32,661</u>	<u>\$ 60,113</u>

**Child Care Fund**  
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Federal grants and reimbursements.....	\$ 182,375	\$ 189,898	\$ 7,523	\$ 186,151
Total revenues.....	<u>182,375</u>	<u>189,898</u>	<u>7,523</u>	<u>186,151</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>182,375</u>	<u>189,898</u>	<u>7,523</u>	<u>186,151</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Health and human services.....	195,544	189,889	5,655	187,443
Total expenditures.....	<u>195,544</u>	<u>189,889</u>	<u>5,655</u>	<u>187,443</u>
Other financing uses:				
Operating transfers out.....	3	3	-	-
Total other financing uses.....	<u>3</u>	<u>3</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>195,547</u>	<u>189,892</u>	<u>5,655</u>	<u>187,443</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(13,172)	6	13,178	(1,292)
Fund balance (deficit) at beginning of year.....	-	-	-	1,292
Fund balance (deficit) at end of year.....	<u>\$ (13,172)</u>	<u>\$ 6</u>	<u>\$ 13,178</u>	<u>\$ -</u>

**Transitional Aid to Needy Families Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Due from federal government.....	\$ 69,146	\$ 109,772
Total assets.....	<u>\$ 69,146</u>	<u>\$ 109,772</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 76,411	\$ 120,288
Accounts payable.....	<u>353</u>	<u>681</u>
Total liabilities.....	<u>76,764</u>	<u>120,969</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	-	243
Unreserved fund balance (deficit):		
Undesignated.....	<u>(7,618)</u>	<u>(11,440)</u>
Total fund balance (deficit).....	<u>(7,618)</u>	<u>(11,197)</u>
Total liabilities and fund balance.....	<u>\$ 69,146</u>	<u>\$ 109,772</u>

**Transitional Aid to Needy Families Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Federal grants and reimbursements.....	\$ 339,563	\$ 353,571	\$ 14,008	\$ 352,979
Total revenues.....	<u>339,563</u>	<u>353,571</u>	<u>14,008</u>	<u>352,979</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>339,563</u>	<u>353,571</u>	<u>14,008</u>	<u>352,979</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Treasurer and Receiver-General.....	404	403	1	393
Administration and finance.....	-	-	-	2
Communities and development.....	309	301	8	913
Health and human services.....	298,122	293,363	4,759	304,195
Transportation and construction.....	3,899	3,359	540	3,855
Education.....	37,343	37,193	150	42,641
Higher education.....	348	348	-	315
Labor.....	6,382	6,382	-	4,931
Total expenditures.....	<u>346,807</u>	<u>341,349</u>	<u>5,458</u>	<u>357,245</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	4,166	(4,166)	5,341
Caseload increase mitigation transfer.....	4,477	4,477	-	1,590
Total other financing uses.....	<u>4,477</u>	<u>8,643</u>	<u>(4,166)</u>	<u>6,931</u>
Total expenditures and other financing uses.....	<u>351,284</u>	<u>349,992</u>	<u>1,292</u>	<u>364,176</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(11,721)	3,579	15,300	(11,197)
Fund balance (deficit) at beginning of year.....	<u>(11,197)</u>	<u>(11,197)</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year.....	<u>\$ (22,918)</u>	<u>\$ (7,618)</u>	<u>\$ 15,300</u>	<u>\$ (11,197)</u>

**Social Services Program Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ 2,674
Total assets.....	<u>\$ -</u>	<u>\$ 2,674</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 910	\$ -
Accounts payable.....	1,392	1,623
Accrued payroll.....	<u>12</u>	<u>13</u>
Total liabilities.....	<u>2,314</u>	<u>1,636</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	-	826
Unreserved fund balance (deficit):		
Undesignated.....	<u>(2,314)</u>	<u>212</u>
Total fund balance (deficit).....	<u>(2,314)</u>	<u>1,038</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 2,674</u>

**Social Services Program Fund**  
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Federal grants and reimbursements.....	\$ 80,218	\$ 83,527	\$ 3,309	\$ 85,550
Total revenues.....	80,218	83,527	3,309	85,550
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	80,218	83,527	3,309	85,550
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
District Attorney.....	414	397	17	394
Health and human services.....	88,895	86,356	2,539	83,165
Total expenditures.....	89,309	86,753	2,556	83,559
Other financing uses:				
Fringe benefit cost assessment.....	-	126	(126)	999
Operating transfers out.....	-	-	-	1
Total other financing uses.....	-	126	(126)	1,000
Total expenditures and other financing uses.....	89,309	86,879	2,430	84,559
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(9,091)	(3,352)	5,739	991
Fund balance (deficit) at beginning of year.....	1,038	1,038	-	47
Fund balance (deficit) at end of year.....	\$ (8,053)	\$ (2,314)	\$ 5,739	\$ 1,038

**Local Consumer Inspection Fund**  
Balance Sheet - Statutory Basis

June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 573	\$ 562
Accounts payable.....	-	12
Accrued payroll.....	1	-
Total liabilities.....	<u>574</u>	<u>574</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(574)</u>	<u>(574)</u>
Total fund balance (deficit).....	<u>(574)</u>	<u>(574)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

**Local Consumer Inspection Fund**  
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	-	-	-	-
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Consumer affairs.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Fringe benefit cost assessment.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other financing uses.....	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	-	-	-	-
Fund balance (deficit) at beginning of year.....	(574)	(574)	(574)	(574)
Fund balance (deficit) at end of year.....	\$ (574)	\$ (574)	\$ (574)	\$ (574)

**Caseload Increase Mitigation Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 104,461	\$ 155,583
Total assets.....	<u>\$ 104,461</u>	<u>\$ 155,583</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	104,461	155,583
Total fund balance (deficit).....	<u>104,461</u>	<u>155,583</u>
Total liabilities and fund balance.....	<u>\$ 104,461</u>	<u>\$ 155,583</u>

**Caseload Increase Mitigation Fund**  
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002 Budget</u>	<u>2002 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2001 Actual</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Miscellaneous.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Caseload increase mitigation transfer.....	-	4,878	4,878	2,021
Total other financing sources.....	-	4,878	4,878	2,021
Total revenues and other financing sources.....	-	4,878	4,878	2,021
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Health and human services.....	56,000	56,000	-	-
Total expenditures.....	56,000	56,000	-	-
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other financing uses.....	56,000	56,000	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(56,000)	(51,122)	4,878	2,021
Fund balance (deficit) at beginning of year.....	155,583	155,583	-	153,562
Fund balance (deficit) at end of year.....	<u>\$ 99,583</u>	<u>\$ 104,461</u>	<u>\$ 4,878</u>	<u>\$ 155,583</u>

**Convention and Exhibition Center Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 141,954	\$ 128,716
Total assets.....	<u>\$ 141,954</u>	<u>\$ 128,716</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 976	\$ 1,521
Total liabilities.....	<u>976</u>	<u>1,521</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	7,117	14,201
Unreserved fund balance (deficit):		
Undesignated.....	<u>133,861</u>	<u>112,994</u>
Total fund balance (deficit).....	<u>140,978</u>	<u>127,195</u>
Total liabilities and fund balance.....	<u>\$ 141,954</u>	<u>\$ 128,716</u>

**Convention and Exhibition Center Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002 Budget	2002 Actual	Variance Favorable (Unfavorable)	2001 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 36,275	\$ 39,981	\$ 3,706	\$ 45,154
Miscellaneous.....	10,258	9,071	(1,187)	12,120
Total revenues.....	46,533	49,052	2,519	57,274
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	46,533	49,052	2,519	57,274
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Administration and finance.....	43,712	35,269	8,443	1,521
Total expenditures.....	43,712	35,269	8,443	1,521
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other financing uses.....	43,712	35,269	8,443	1,521
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	2,821	13,783	10,962	55,753
Fund balance (deficit) at beginning of year.....	127,195	127,195	-	71,442
Fund balance (deficit) at end of year.....	\$ 130,016	\$ 140,978	\$ 10,962	\$ 127,195

**Voting Equipment Loan Fund**  
Balance Sheet - Statutory Basis

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ 1,397
Total assets.....	<u>\$ -</u>	<u>\$ 1,397</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	-	1,397
Total fund balance (deficit).....	<u>-</u>	<u>1,397</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 1,397</u>

**Voting Equipment Loan Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002 Budget</u>	<u>2002 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2001 Actual</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:				
Operating transfers in.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Secretary of the Commonwealth.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing uses:				
Operating transfers out.....	<u>1,397</u>	<u>1,397</u>	<u>-</u>	<u>-</u>
Total other financing uses.....	<u>1,397</u>	<u>1,397</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>1,397</u>	<u>1,397</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(1,397)	(1,397)	-	-
Fund balance (deficit) at beginning of year.....	<u>1,397</u>	<u>1,397</u>	<u>-</u>	<u>1,397</u>
Fund balance (deficit) at end of year.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,397</u>



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# ***Non-Budgeted Funds***

## **SPECIAL REVENUE FUNDS:**

These funds account for the proceeds of specific revenue sources that are restricted to finance specific functions. Funds that are not subject to appropriation are considered Non-budgeted Special Revenue Funds.

***Federal Grants Fund*** – to account for federal grants that are designated for specific programs, excluding federal highway construction grants, which are accounted for in the Federal Highway Construction Capital Projects Fund, and federal reimbursement programs, such as Medicaid, which are accounted for in the General Fund.

## **LOTTERY FUNDS:**

The two lottery funds account for the operations of the State and Arts Lotteries.

***State Lottery Fund*** – to account for revenue from sale of lottery tickets and for the payment of prizes, expenses of the State Lottery Commission and the distribution to municipalities and school districts. Transfers are made to the local aid fund.

***Arts Lottery Fund*** - to account for revenues from sale of lottery tickets, for payment of prizes and the expenses of the State Lottery Commission, and for the administration of the Arts Lottery Council. Transfers are made to the Local Aid Fund.

## **UNIVERSAL HEALTH CARE FUND:**

The three Universal Healthcare Funds account for assessments and other revenues that are dedicated to making health care and health insurance accessible and affordable to all Citizens of the Commonwealth.

***Uncompensated Care Fund*** – to account for funds received from hospitals, transfers from budgeted funds and federal reimbursements; used for the purposes of the Uncompensated Care Pool.

***Labor Shortage Fund*** – to account for assessments on each acute care hospital equal to one-tenth of one-percent of gross patient service revenues; used for training health care workers, career development within the health care profession, and establishment of day care programs at hospitals and other health care facilities.

***Medical Security Trust Fund*** – to account for premiums, fees, and contributions; used for health insurance for workers receiving unemployment insurance.

## **OTHER FUNDS:**

The other minor special revenue funds account for a variety of miscellaneous taxes, assessments, fees, fines and other revenues, which are restricted to the financing of specific Commonwealth programs.

***Department of Telecommunication and Energy Trust Fund*** – to account for expenditures by the Department of Telecommunications and Energy for activities of the department related to the regulation of electric companies.

***Liability Management and Reduction Fund*** - to account for charge backs assessed to departments as premiums for the provision of insurance coverage for state agencies to cover payment of judgements, settlements and litigation costs in tort claims.

***Debt Defeasance Trust Fund*** – to account for transfers from General Fund and Highway Fund for purpose of defeasing debt pursuant to Chapter 55 of the Acts of 1999 section 6, 7 and 8, as amended, and Sections 13 and 17 of Chapter 87 of the Acts of 2000.

***Health Care Security Trust Fund*** – to account for revenues received from tobacco companies under the tobacco settlement, interest income as well as expenditures to the Tobacco Settlement Fund for health related services and programs intended to control or reduce the use of tobacco in the Commonwealth.

***Commonwealth of Massachusetts Civil Monetary Penalty (CMP) Fund*** – to account for civil monetary penalties paid by nursing homes participating in the medical program for the protection of health and property of residents in a nursing home if the facility is found deficient.

***MBTA State and Local Contribution Fund*** – to account for the transfer of revenue and MBTA service area assessments from the Commonwealth to the MBTA as set forth in Massachusetts General Laws, Chapter 10, Section 35T.

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***Catastrophic Illness in Children Relief Fund*** – to account for receipts from a portion of an employer’s unemployment health insurance contribution and certain Federal financial participation. The assistance is for medical expenses of childhood catastrophic illnesses not covered by any other State and Federal program and subject to certain family income limits.

***MBTA Infrastructure Renovation Fund*** – to account for supplemental appropriations beyond the MBTA State and Local Contribution Fund for certain MBTA infrastructure improvements. Funds are to be used for, but not limited to, compliance with the American with Disabilities Act, elevator and escalator improvements, waterproofing, fare gates, signage, lighting and structural improvements only. No rolling stock is to be acquired through the fund.

***Community Preservation Trust Fund*** – to account for revenues received from surcharges on real estate property taxes, public and private sources as gifts, grants and donations, from damages, penalties costs from litigation settlements and surcharge on municipal liens imposed by the cities and towns who accept funds from the trust, to further community open – space preservation programs.

***Health Insurance Portability and Accountability Act Fund*** – to account for revenues received from Federal reimbursements under the Social Security Act, other Federal reimbursements, grants, gifts or other contributions to meet the costs of compliance with the Federal Health Insurance Portability and Accountability Act of 1996 (HIPPA).

***State Racing Fund*** – to record activity described in Section 9, Chapter 139, Acts of 2001 for improvements to the horse and greyhound racing industry in the Commonwealth. Revenues are from taxes, assessments and expenditures are for related programs.

***Division of Professional Licensure Trust Fund*** – to support programs and administrative costs of the Division of Professional Licensure. Revenues are from professional registration fees and expenditures are for regulatory purpose. The fund is not allowed to incur deficit. Any year end balance in excess of 20% of prior year’s expenditures is to revert to the General Fund.

***Victims of Drunk Driving Trust Fund*** – to account for fines collected from convicted individuals of driving under the influence of various substances defined by the law. Expenditures are for grants to community based programs to provide counseling and support services to victims of accidents.

***Government Land Bank Fund*** – to account for proceeds from disposition, conversion and redevelopment of land used for payments of principal and interest on bonds and notes of the Massachusetts Development Finance Agency.

***Mosquito and Greenhead Fly Control Fund*** –to account for assessments to cities and towns of various mosquito control districts; appropriated to support activities designed to control mosquitoes and /or “greenhead” flies.

***Federally-Assisted Housing Fund*** – to account for Federal housing financial assistance; used for payments of principal and interest on bond debt.

***Oil Overcharge Fund*** – to account for the fines and penalties collected under federal litigation from certain oil companies; used to provide fuel assistance and home insulation for low-income residents.

***Environmental Trust Fund*** – to account for fines, gifts and grants used for restoration, protection and improvement of the quality of Boston Harbor, Lynn Harbor, Massachusetts Bay, Buzzard’s Bay and Cape Cod Bay.

***Children’s Trust Fund*** – to account for gifts, grants, interest, and donations to the Child Abuse Prevention Board and certain appropriations designated to be transferred to the fund; used for support programs to raise awareness of child abuse and prevention programs.

***Child Support Enforcement Fund*** – to account for Federal grants used for activities associated with the collection of child support.

***Department of Industrial Accidents Special Fund*** – to account for assessments to employers and cities and towns for worker’s compensation insurance premiums and penalties assessed against employers who fail to insure for the worker’s compensation; used to reimburse the general fund for the operating account of the Department of Industrial Accidents and for administrative overhead.

***County Correction Fund*** – to account for approximately seven and one half percent of the deeds excise tax distributed to counties for the operation of county correctional facilities.

***Massachusetts AIDS Fund*** – to account for gifts, grants, and donations; used for research, treatment, and education related to acquired immune deficiency syndrome.

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***Board of Registration in Medicine Fund*** – to account for certain revenues and expenditures of the Board.

***Water Pollution Abatement Projects Administration Fund*** – to account for transfers from the Water Pollution Abatement Trust and general obligation bond proceeds; used for the administration of the Department of Environmental Protection to fund water pollution abatement projects.

***Commonwealth Sewer Rate Relief Fund*** – to account for transfers of amounts from the General Fund or other funds; used for the purpose of mitigating sewer rate increases and making sewer rate relief grants to municipalities.

***Motor Vehicle Safety Inspection Trust Fund*** – to account for vehicle inspection fees for administration and operation of safety inspection programs by the Registry of Motor Vehicles.

***Child Care Quality Fund*** – to account for expenditures by the commissioner of the Office for Children for providing grants for not-for-profit childcare organizations for the purpose of improving childcare services.

***Grant Anticipation Note Trust Fund*** - to account for proceeds to cover grant anticipation note expenditures and pay the related debt service of the proceeds.

The following fund has been enacted in legislation but is inactive for fiscal year 2002:

***Energy Technology Development Fund*** – to account for revenues received from miscellaneous trusts, gifts and donations to be administered and expended by the commissioner of the Division of Energy Resources to promote energy efficiency and the research development and commercialization of new energy technologies.

**Non-Budgeted Special Revenue Funds**  
Combining Balance Sheet - Statutory Basis

June 30, 2002 and 2001  
(Amounts in thousands)

	Federal Grants	Lotteries	Universal Health Care
<b>ASSETS</b>			
Cash and short-term investments.....	\$ -	\$ 20,197	\$ 131,282
Cash with fiscal agent.....	-	-	-
Investments.....	-	-	-
Receivables, net of allowance for uncollectibles:			
Taxes.....	-	-	-
Due from federal government.....	263,491	-	50,500
Other receivables.....	-	3,583	50,500
Total assets.....	<u>\$ 263,491</u>	<u>\$ 23,780</u>	<u>\$ 232,282</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Deficiency in cash and short-term investments.....	\$ 77,225	\$ -	\$ -
Accounts payable.....	171,592	23,780	113,525
Accrued payroll.....	6,294	-	42
Unearned federal revenue.....	-	-	-
Due to other funds.....	-	-	-
Total liabilities.....	<u>255,111</u>	<u>23,780</u>	<u>113,567</u>
Fund balances:			
Reserved for:			
Debt service.....	-	-	-
Capital projects.....	-	-	-
Unreserved:			
Designated for specific purpose.....	8,380	-	118,715
Total fund balances.....	<u>8,380</u>	<u>-</u>	<u>118,715</u>
Total liabilities and fund balances.....	<u>\$ 263,491</u>	<u>\$ 23,780</u>	<u>\$ 232,282</u>

Totals (Memorandum only)		
Other	2002	2001
\$ 272,819	\$ 424,298	\$ 937,444
79,664	79,664	83,252
481,410	481,410	-
-	-	434
70,345	384,336	323,108
9,882	63,965	31,412
<u>\$ 914,120</u>	<u>\$ 1,433,673</u>	<u>\$ 1,375,650</u>
\$ -	\$ 77,225	\$ 78,141
117,359	426,256	311,579
761	7,097	6,782
-	-	18,966
66,999	66,999	77,206
<u>185,119</u>	<u>577,577</u>	<u>492,674</u>
79,664	79,664	83,252
7,465	7,465	7,465
641,872	768,967	792,259
729,001	856,096	882,976
<u>\$ 914,120</u>	<u>\$ 1,433,673</u>	<u>\$ 1,375,650</u>

# Non-Budgeted Special Revenue Funds

## Combining Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

Fiscal Year Ended June 30, 2002 and 2001  
(Amounts in thousands)

	Federal Grants	Lotteries	Universal Health Care
<b>REVENUES AND OTHER FINANCING SOURCES</b>			
Revenues:			
Taxes.....	\$ -	\$ 2,026	\$ -
Assessments.....	-	-	284,120
Federal grants and reimbursements.....	1,595,335	-	386,021
Tobacco settlement revenue.....	-	-	-
Departmental.....	-	4,417,880	543,554
Miscellaneous.....	89	6,969	5,006
Total revenues.....	1,595,424	4,426,875	1,218,701
Other financing sources:			
Proceeds of grant anticipation notes.....	-	-	-
Sewer rate relief.....	-	-	-
Operating transfers in.....	-	54,682	247,228
Total other financing sources.....	-	54,682	247,228
Total revenues and other financing sources.....	1,595,424	4,481,557	1,465,929
<b>EXPENDITURES AND OTHER FINANCING USES</b>			
Expenditures:			
Judiciary.....	1,312	-	-
Secretary of the Commonwealth.....	1,005	-	-
Treasurer and Receiver-General.....	598	3,454,009	-
Attorney General.....	9,536	-	-
District Attorney.....	3,406	-	-
Sheriff's Departments.....	3,606	-	-
Disabled Persons Protection Commission.....	58	-	-
Board of Library Commissioners.....	3,285	-	-
Administration and finance.....	5,017	-	102
Environmental affairs.....	23,900	-	-
Communities and development.....	309,511	-	-
Health and human services.....	300,050	-	1,225,987
Transportation and construction.....	16,840	-	-
Education.....	626,177	-	-
Higher education.....	8,191	-	-
Public safety.....	43,858	-	-
Economic development.....	644	-	-
Elder affairs.....	30,333	-	-
Consumer affairs.....	1,127	-	-
Labor.....	142,295	-	31,139
Direct local aid.....	-	-	-
Debt service:			
Principal retirement.....	-	-	-
Interest and fiscal charges.....	-	-	-
Total expenditures.....	1,530,749	3,454,009	1,257,228
Other financing uses:			
Payments to refunded bond escrow agent.....	-	-	-
Fringe benefit cost assessment.....	29,294	2,481	272
Lottery operating reimbursements.....	-	87,341	-
Lottery distributions.....	-	871,136	-
Federal reimbursement transfer out.....	-	-	-
Tobacco settlement transfer.....	-	-	-
Operating transfers out.....	35,255	54,682	331,016
Transfer for capital projects due to debt defeasance.....	-	-	-
Total other financing uses.....	64,549	1,015,640	331,288
Total expenditures and other financing uses.....	1,595,298	4,469,649	1,588,516
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	126	11,908	(122,587)
Fund balances at beginning of year (as restated).....	8,254	(11,908)	241,302
Fund balances at end of year.....	\$ 8,380	\$ -	\$ 118,715

		Totals (Memorandum only)	
Other	2002	2001	
\$ 716,595	\$ 718,621	\$ 678,205	
168,390	452,510	498,269	
515,576	2,496,932	2,142,304	
304,518	304,518	242,470	
54,343	5,015,777	4,577,506	
14,130	26,194	65,172	
1,773,552	9,014,552	8,203,926	
-	-	600,009	
58,655	58,655	53,914	
73,928	375,838	340,405	
132,583	434,493	994,328	
1,906,135	9,449,045	9,198,254	
2,352	3,664	626	
-	1,005	973	
808,677	4,263,284	4,003,351	
56	9,592	7,699	
245	3,651	3,376	
-	3,606	2,561	
-	58	25	
-	3,285	3,007	
70,008	75,127	80,644	
16,579	40,479	34,500	
73	309,584	305,594	
9,762	1,535,799	1,179,961	
-	16,840	5,896	
-	626,177	536,505	
-	8,191	7,236	
32,195	76,053	78,275	
-	644	1,376	
-	30,333	26,990	
8,711	9,838	5,817	
2,791	176,225	140,316	
5,979	5,979	7,811	
339	339	-	
77,074	77,074	62,692	
1,034,841	7,276,827	6,495,231	
-	-	650,037	
5,554	37,601	46,776	
-	87,341	85,646	
-	871,136	862,132	
497,453	497,453	460,376	
154,728	154,728	81,506	
129,886	550,839	721,684	
-	-	319	
787,621	2,199,098	2,908,476	
1,822,462	9,475,925	9,403,707	
83,673	(26,880)	(205,453)	
645,328	882,976	1,088,429	
\$ 729,001	\$ 856,096	\$ 882,976	

**Federal Grants Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>ASSETS</b>		
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	\$ 263,491	\$ 217,707
Total assets.....	<u>\$ 263,491</u>	<u>\$ 217,707</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 77,225	\$ 26,840
Accounts payable.....	171,592	157,413
Accrued payroll.....	6,294	6,234
Unearned federal revenue.....	-	18,966
Total liabilities.....	<u>255,111</u>	<u>209,453</u>
Fund balance:		
Designated for specific purpose.....	8,380	8,254
Total fund balance (deficit).....	<u>8,380</u>	<u>8,254</u>
Total liabilities and fund balance.....	<u>\$ 263,491</u>	<u>\$ 217,707</u>

## Federal Grants Fund

### Statement of Revenues, Expenditures and Changes in Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Federal grants and reimbursements.....	\$ 1,595,335	\$ 1,449,784
Miscellaneous.....	89	47
Total revenues.....	1,595,424	1,449,831
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	1,595,424	1,449,831
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Judiciary.....	1,312	626
Secretary of the Commonwealth.....	1,005	973
Treasurer and Receiver-General.....	598	2,305
Attorney General.....	9,536	7,627
District Attorney.....	3,406	3,357
Sheriff's Departments.....	3,606	2,561
Disabled Persons Protection Commission.....	58	25
Board of Library Commissioners.....	3,285	3,007
Administration and finance.....	5,017	5,381
Environmental affairs.....	23,900	19,317
Communities and development.....	309,511	305,545
Health and human services.....	300,050	281,388
Transportation and construction.....	16,840	5,896
Education.....	626,177	536,505
Higher education.....	8,191	7,236
Public safety.....	43,858	46,133
Economic development.....	644	1,376
Elder affairs.....	30,333	26,990
Consumer affairs.....	1,127	769
Labor.....	142,295	124,421
Total expenditures.....	1,530,749	1,381,438
Other financing uses:		
Fringe benefit cost assessment.....	29,294	35,743
Operating transfers out.....	35,255	33,150
Total other financing uses.....	64,549	68,893
Total expenditures and other financing uses.....	1,595,298	1,450,331
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	126	(500)
Fund balance (deficit) at beginning of year.....	8,254	8,754
Fund balance (deficit) at end of year.....	\$ 8,380	\$ 8,254

**State Lottery Fund**  
Balance Sheet - Statutory Basis

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 15,824	\$ 843
Receivables, net of allowance for uncollectibles:		
Other receivables.....	<u>1,727</u>	<u>1,953</u>
Total assets.....	<u>\$ 17,551</u>	<u>\$ 2,796</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	<u>\$ 17,551</u>	<u>\$ 14,704</u>
Total liabilities.....	<u>17,551</u>	<u>14,704</u>
Fund balance:		
Designated for specific purpose.....	<u>-</u>	<u>(11,908)</u>
Total fund balance (deficit).....	<u>-</u>	<u>(11,908)</u>
Total liabilities and fund balance.....	<u>\$ 17,551</u>	<u>\$ 2,796</u>

**State Lottery Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Taxes.....	\$ 2,026	\$ 2,014
Departmental.....	4,169,609	3,877,738
Miscellaneous.....	6,236	5,297
Total revenues.....	<u>4,177,871</u>	<u>3,885,049</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	<u>4,177,871</u>	<u>3,885,049</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Treasurer and Receiver-General.....	3,245,101	2,990,820
Total expenditures.....	<u>3,245,101</u>	<u>2,990,820</u>
Other financing uses:		
Fringe benefit cost assessment.....	2,481	3,687
Lottery operating reimbursements .....	71,177	70,449
Lottery distributions.....	792,522	783,518
Operating transfers out.....	54,682	49,438
Total other financing uses.....	<u>920,862</u>	<u>907,092</u>
Total expenditures and other financing uses.....	<u>4,165,963</u>	<u>3,897,912</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	11,908	(12,863)
Fund balance (deficit) at beginning of year.....	(11,908)	955
Fund balance (deficit) at end of year.....	<u>\$ -</u>	<u>\$ (11,908)</u>

**Arts Lottery Fund**  
Balance Sheet - Statutory Basis

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 4,373	\$ 7,527
Receivables, net of allowance for uncollectibles:		
Other receivables.....	<u>1,856</u>	<u>1,959</u>
Total assets.....	<u>\$ 6,229</u>	<u>\$ 9,486</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	<u>\$ 6,229</u>	<u>\$ 9,486</u>
Total liabilities.....	<u>6,229</u>	<u>9,486</u>
Fund balance:		
Designated for specific purpose.....	<u>-</u>	<u>-</u>
Total fund balance (deficit).....	<u>-</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 6,229</u>	<u>\$ 9,486</u>

## Arts Lottery Fund

### Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002

(Amounts in thousands)

	2002	2001
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Departmental.....	\$ 248,271	\$ 253,819
Miscellaneous.....	733	1,635
Total revenues.....	<u>249,004</u>	<u>255,454</u>
Other financing sources:		
Operating transfers in.....	54,682	49,438
Total other financing sources.....	<u>54,682</u>	<u>49,438</u>
Total revenues and other financing sources.....	<u>303,686</u>	<u>304,892</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Treasurer and Receiver-General.....	208,908	211,081
Total expenditures.....	<u>208,908</u>	<u>211,081</u>
Other financing uses:		
Lottery operating reimbursements .....	16,164	15,197
Lottery distributions.....	78,614	78,614
Total other financing uses.....	<u>94,778</u>	<u>93,811</u>
Total expenditures and other financing uses.....	<u>303,686</u>	<u>304,892</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	-	-
Fund balance (deficit) at beginning of year.....	-	-
Fund balance (deficit) at end of year.....	<u>\$ -</u>	<u>\$ -</u>

**Uncompensated Care Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 115,924	\$ 104,297
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	50,500	27,500
Other receivables.....	50,500	27,500
Total assets.....	<u>\$ 216,924</u>	<u>\$ 159,297</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 112,451	\$ 59,871
Total liabilities.....	<u>112,451</u>	<u>59,871</u>
Fund balance:		
Designated for specific purpose.....	104,473	99,426
Total fund balance (deficit).....	104,473	99,426
Total liabilities and fund balance.....	<u>\$ 216,924</u>	<u>\$ 159,297</u>

**Uncompensated Care Fund**  
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Assessments.....	\$ 284,120	\$ 331,770
Federal grants and reimbursements.....	386,021	222,156
Departmental.....	498,049	341,889
Miscellaneous.....	2,645	7,985
Total revenues.....	<u>1,170,835</u>	<u>903,800</u>
Other financing sources:		
Operating transfers in.....	<u>247,228</u>	<u>180,124</u>
Total other financing sources.....	<u>247,228</u>	<u>180,124</u>
Total revenues and other financing sources.....	<u>1,418,063</u>	<u>1,083,924</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Health and human services.....	<u>1,225,987</u>	<u>897,861</u>
Total expenditures.....	<u>1,225,987</u>	<u>897,861</u>
Other financing uses:		
Operating transfers out.....	<u>187,029</u>	<u>199,124</u>
Total other financing uses.....	<u>187,029</u>	<u>199,124</u>
Total expenditures and other financing uses.....	<u>1,413,016</u>	<u>1,096,985</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	5,047	(13,061)
Fund balance (deficit) at beginning of year.....	99,426	112,487
Fund balance (deficit) at end of year.....	<u>\$ 104,473</u>	<u>\$ 99,426</u>

**Labor Shortage Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ 1,466
Total assets.....	<u>\$ -</u>	<u>\$ 1,466</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Designated for specific purpose.....	-	1,466
Total fund balance (deficit).....	<u>-</u>	<u>1,466</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 1,466</u>

**Labor Shortage Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Assessments.....	\$ -	\$ 167
Miscellaneous.....	33	74
Total revenues.....	<u>33</u>	<u>241</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	<u>33</u>	<u>241</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Higher education.....	-	-
Total expenditures.....	-	-
Other financing uses:		
Operating transfers out.....	1,499	-
Total other financing uses.....	1,499	-
Total expenditures and other financing uses.....	<u>1,499</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(1,466)	241
Fund balance (deficit) at beginning of year.....	1,466	1,225
Fund balance (deficit) at end of year.....	<u>\$ -</u>	<u>\$ 1,466</u>

**Medical Security Trust Fund**  
Balance Sheet - Statutory Basis

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 15,358	\$ 141,007
Total assets.....	<u>\$ 15,358</u>	<u>\$ 141,007</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 1,074	\$ 549
Accrued payroll.....	<u>42</u>	<u>48</u>
Total liabilities.....	<u>1,116</u>	<u>597</u>
Fund balance:		
Designated for specific purpose.....	<u>14,242</u>	<u>140,410</u>
Total fund balance (deficit).....	<u>14,242</u>	<u>140,410</u>
Total liabilities and fund balance.....	<u>\$ 15,358</u>	<u>\$ 141,007</u>

**Medical Security Trust Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Departmental.....	\$ 45,505	\$ 48,581
Miscellaneous.....	2,328	7,003
Total revenues.....	47,833	55,584
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	47,833	55,584
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Administration and finance.....	102	99
Labor.....	31,139	14,633
Total expenditures.....	31,241	14,732
Other financing uses:		
Fringe benefit cost assessment.....	272	359
Operating transfers out.....	142,488	52,841
Total other financing uses.....	142,760	53,200
Total expenditures and other financing uses.....	174,001	67,932
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(126,168)	(12,348)
Fund balance (deficit) at beginning of year.....	140,410	152,758
Fund balance (deficit) at end of year.....	\$ 14,242	\$ 140,410

**Department of Telecommunication and Energy Trust Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 353	\$ 581
Total assets.....	<u>\$ 353</u>	<u>\$ 581</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 209	\$ 369
Accrued payroll.....	<u>14</u>	<u>33</u>
Total liabilities.....	<u>223</u>	<u>402</u>
Fund balance:		
Designated for specific purpose.....	<u>130</u>	<u>179</u>
Total fund balance (deficit).....	<u>130</u>	<u>179</u>
Total liabilities and fund balance.....	<u>\$ 353</u>	<u>\$ 581</u>

**Department of Telecommunication and Energy Trust Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Assessments.....	\$ 3,012	\$ 2,337
Departmental.....	428	-
Total revenues.....	<u>3,440</u>	<u>2,337</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	<u>3,440</u>	<u>2,337</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Consumer affairs.....	3,233	2,452
Total expenditures.....	<u>3,233</u>	<u>2,452</u>
Other financing uses:		
Fringe benefit cost assessment.....	254	312
Operating transfers out.....	2	2
Total other financing uses.....	<u>256</u>	<u>314</u>
Total expenditures and other financing uses.....	<u>3,489</u>	<u>2,766</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(49)	(429)
Fund balance (deficit) at beginning of year.....	179	608
Fund balance (deficit) at end of year.....	<u>\$ 130</u>	<u>\$ 179</u>

**Liability Management and Reduction Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 2,360	\$ 2,352
Total assets.....	<u>\$ 2,360</u>	<u>\$ 2,352</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 700	\$ 764
Accrued payroll.....	<u>2</u>	<u>2</u>
Total liabilities.....	<u>702</u>	<u>766</u>
Fund balance:		
Designated for specific purpose.....	<u>1,658</u>	<u>1,586</u>
Total fund balance (deficit).....	<u>1,658</u>	<u>1,586</u>
Total liabilities and fund balance.....	<u>\$ 2,360</u>	<u>\$ 2,352</u>

**Liability Management and Reduction Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Departmental.....	\$ 2,602	\$ 2,118
Miscellaneous.....	40	79
Total revenues.....	<u>2,642</u>	<u>2,197</u>
Other financing sources:		
Operating transfers in.....	-	2,000
Total other financing sources.....	<u>-</u>	<u>2,000</u>
Total revenues and other financing sources.....	<u>2,642</u>	<u>4,197</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Attorney General.....	56	72
Administration and finance.....	<u>2,502</u>	<u>3,572</u>
Total expenditures.....	<u>2,558</u>	<u>3,644</u>
Other financing uses:		
Fringe benefit cost assessment.....	<u>12</u>	<u>12</u>
Total other financing uses.....	<u>12</u>	<u>12</u>
Total expenditures and other financing uses.....	<u>2,570</u>	<u>3,656</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	72	541
Fund balance (deficit) at beginning of year.....	<u>1,586</u>	<u>1,045</u>
Fund balance (deficit) at end of year.....	<u>\$ 1,658</u>	<u>\$ 1,586</u>

**Debt Defeasance Trust Fund**  
Balance Sheet - Statutory Basis

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 7,465	\$ 7,465
Total assets.....	<u>\$ 7,465</u>	<u>\$ 7,465</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for capital projects.....	<u>7,465</u>	<u>7,465</u>
Total fund balance (deficit).....	<u>7,465</u>	<u>7,465</u>
Total liabilities and fund balance.....	<u>\$ 7,465</u>	<u>\$ 7,465</u>

## Debt Defeasance Trust Fund

### Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002

(Amounts in thousands)

	2002	2001
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Miscellaneous.....	\$ -	\$ 128
Total revenues.....	-	128
Other financing sources:		
Debt defeasance trust transfer.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	-	128
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Treasurer and Receiver - General.....	-	-
Total expenditures.....	-	-
Other financing uses:		
Payments to refunded bond escrow agent.....	-	650,037
Total other financing uses.....	-	650,037
Total expenditures and other financing uses.....	-	650,037
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	-	(649,909)
Fund balance (deficit) at beginning of year.....	7,465	657,374
Fund balance (deficit) at end of year.....	\$ 7,465	\$ 7,465

**Health Care Security Trust Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 35,508	\$ 424,943
Investments.....	481,410	-
Other receivables .....	9,882	-
Total assets.....	<u>\$ 526,800</u>	<u>\$ 424,943</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	<u>\$ 17,715</u>	<u>\$ 73</u>
Total liabilities.....	<u>17,715</u>	<u>73</u>
Fund balance:		
Designated for specific purpose.....	<u>509,085</u>	<u>424,870</u>
Total fund balance (deficit).....	<u>509,085</u>	<u>424,870</u>
Total liabilities and fund balance.....	<u>\$ 526,800</u>	<u>\$ 424,943</u>

**Health Care Security Trust Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Tobacco settlement revenue.....	\$ 304,518	\$ 242,470
Miscellaneous income (loss).....	(4,445)	16,780
Total revenues.....	<u>300,073</u>	<u>259,250</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	<u>300,073</u>	<u>259,250</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Health and human services .....	1,130	73
Total expenditures.....	<u>1,130</u>	<u>73</u>
Other financing uses:		
Tobacco settlement transfer.....	154,728	81,506
Operating transfers out.....	60,000	-
Total other financing uses.....	<u>214,728</u>	<u>81,506</u>
Total expenditures and other financing uses.....	<u>215,858</u>	<u>81,579</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	84,215	177,671
Fund balance (deficit) at beginning of year.....	424,870	247,199
Fund balance (deficit) at end of year.....	<u>\$ 509,085</u>	<u>\$ 424,870</u>

**Commonwealth of Massachusetts Civil Monetary Penalty (CMP) Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 1,244	\$ 342
Total assets.....	<u>\$ 1,244</u>	<u>\$ 342</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 3	\$ -
Total liabilities.....	<u>3</u>	<u>-</u>
Fund balance:		
Designated for specific purpose.....	<u>1,241</u>	<u>342</u>
Total fund balance (deficit).....	<u>1,241</u>	<u>342</u>
Total liabilities and fund balance.....	<u>\$ 1,244</u>	<u>\$ 342</u>

**Commonwealth of Massachusetts Civil Monetary Penalty (CMP) Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Departmental.....	\$ 902	\$ 245
Total revenues.....	<u>902</u>	<u>245</u>
Other financing sources:		
Operating transfers in.....	<u>-</u>	<u>-</u>
Total other financing sources.....	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>902</u>	<u>245</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Health and human services.....	<u>3</u>	<u>-</u>
Total expenditures.....	<u>3</u>	<u>-</u>
Other financing uses:		
Operating transfers out.....	<u>-</u>	<u>-</u>
Total other financing uses.....	<u>-</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>3</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	899	245
Fund balance (deficit) at beginning of year.....	<u>342</u>	<u>97</u>
Fund balance (deficit) at end of year.....	<u>\$ 1,241</u>	<u>\$ 342</u>

**MBTA State and Local Contribution Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 94,303	\$ 63,818
Total assets.....	<u>\$ 94,303</u>	<u>\$ 63,818</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 94,303	\$ 63,818
Total liabilities.....	<u>94,303</u>	<u>63,818</u>
Fund balance:		
Designated for specific purpose.....	-	-
Total fund balance (deficit).....	-	-
Total liabilities and fund balance.....	<u>\$ 94,303</u>	<u>\$ 63,818</u>

**MBTA State and Local Contribution Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Taxes.....	\$ 664,350	\$ 654,591
Assessment.....	142,848	144,554
Total revenues.....	<u>807,198</u>	<u>799,145</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	<u>807,198</u>	<u>799,145</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Treasurer and Receiver-General.....	807,198	799,145
Total expenditures.....	<u>807,198</u>	<u>799,145</u>
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other financing uses.....	<u>807,198</u>	<u>799,145</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	-	-
Fund balance (deficit) at beginning of year.....	-	-
Fund balance (deficit) at end of year.....	<u>\$ -</u>	<u>\$ -</u>

**Catastrophic Illness in Children Relief Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 5,141	\$ 2,703
Total assets.....	<u>\$ 5,141</u>	<u>\$ 2,703</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 42	\$ 3
Total liabilities.....	<u>42</u>	<u>3</u>
Fund balance:		
Designated for specific purpose.....	5,099	2,700
Total fund balance (deficit).....	<u>5,099</u>	<u>2,700</u>
Total liabilities and fund balance.....	<u>\$ 5,141</u>	<u>\$ 2,703</u>

**Catastrophic Illness in Children Relief Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Miscellaneous.....	\$ 70	\$ 17
Total revenues.....	<u>70</u>	<u>17</u>
Other financing sources:		
Operating transfers in.....	<u>2,449</u>	<u>2,746</u>
Total other financing sources.....	<u>2,449</u>	<u>2,746</u>
Total revenues and other financing sources.....	<u>2,519</u>	<u>2,763</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Health and human services.....	<u>120</u>	<u>63</u>
Total expenditures.....	<u>120</u>	<u>63</u>
Other financing uses:		
Operating transfers out.....	<u>-</u>	<u>-</u>
Total other financing uses.....	<u>-</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>120</u>	<u>63</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	2,399	2,700
Fund balance (deficit) at beginning of year.....	<u>2,700</u>	<u>-</u>
Fund balance (deficit) at end of year.....	<u>\$ 5,099</u>	<u>\$ 2,700</u>

**MBTA Infrastructure Renovation Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 46,920	\$ 70,608
Total assets.....	<u>\$ 46,920</u>	<u>\$ 70,608</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Designated for specific purpose.....	46,920	70,608
Total fund balance (deficit).....	<u>46,920</u>	<u>70,608</u>
Total liabilities and fund balance.....	<u>\$ 46,920</u>	<u>\$ 70,608</u>

**MBTA Infrastructure Renovation Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Miscellaneous.....	\$ 1,791	\$ 3,995
Total revenues.....	<u>1,791</u>	<u>3,995</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	<u>1,791</u>	<u>3,995</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Treasurer and Receiver-General.....	1,479	-
Total expenditures.....	<u>1,479</u>	<u>-</u>
Other financing uses:		
Operating transfers out.....	24,000	-
Total other financing uses.....	24,000	-
Total expenditures and other financing uses.....	<u>25,479</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(23,688)	3,995
Fund balance (deficit) at beginning of year.....	70,608	66,613
Fund balance (deficit) at end of year.....	<u>\$ 46,920</u>	<u>\$ 70,608</u>

**Community Preservation Trust Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 57,973	\$ 15,861
Total assets.....	<u>\$ 57,973</u>	<u>\$ 15,861</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ 30
Total liabilities.....	<u>-</u>	<u>30</u>
Fund balance:		
Designated for specific purpose.....	57,973	15,831
Total fund balance (deficit).....	<u>57,973</u>	<u>15,831</u>
Total liabilities and fund balance.....	<u>\$ 57,973</u>	<u>\$ 15,861</u>

**Community Preservation Trust Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Taxes.....	\$ 42,451	\$ 15,989
Total revenues.....	<u>42,451</u>	<u>15,989</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	<u>42,451</u>	<u>15,989</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Administration and finance.....	253	129
Total expenditures.....	<u>253</u>	<u>129</u>
Other financing uses:		
Fringe benefit cost assessment .....	56	29
Total other financing uses.....	56	29
Total expenditures and other financing uses.....	<u>309</u>	<u>158</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	42,142	15,831
Fund balance (deficit) at beginning of year.....	15,831	-
Fund balance (deficit) at end of year.....	<u>\$ 57,973</u>	<u>\$ 15,831</u>

**Health Insurance Portability and Accountability Act Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 15,993	\$ 20,000
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	2,337	-
Total assets.....	<u>\$ 18,330</u>	<u>\$ 20,000</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 930	\$ -
Accrued payroll.....	9	-
Total liabilities.....	<u>939</u>	<u>-</u>
Fund balance:		
Designated for specific purpose.....	17,391	20,000
Total fund balance (deficit).....	<u>17,391</u>	<u>20,000</u>
Total liabilities and fund balance.....	<u>\$ 18,330</u>	<u>\$ 20,000</u>

**Health Insurance Portability and Accountability Act Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Federal grants and reimbursements.....	\$ 5,429	\$ -
Total revenues.....	<u>5,429</u>	<u>-</u>
Other financing sources:		
Operating transfers in.....	-	20,000
Total other financing sources.....	<u>-</u>	<u>20,000</u>
Total revenues and other financing sources.....	<u>5,429</u>	<u>20,000</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Health and human services.....	7,988	-
Total expenditures.....	<u>7,988</u>	<u>-</u>
Other financing uses:		
Fringe benefit cost assessment.....	50	-
Total other financing uses.....	<u>50</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>8,038</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(2,609)	20,000
Fund balance (deficit) at beginning of year.....	20,000	-
Fund balance (deficit) at end of year.....	<u>\$ 17,391</u>	<u>\$ 20,000</u>

**State Racing Fund**  
Balance Sheet - Statutory Basis

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 1,455	\$ -
Total assets.....	<u>1,455</u>	<u>-</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Designated for specific purpose.....	1,455	-
Total fund balance (deficit).....	<u>1,455</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 1,455</u>	<u>\$ -</u>

**State Racing Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Taxes.....	\$ 4,107	\$ -
Assessments.....	423	-
Departmental.....	459	-
Miscellaneous.....	1,513	-
Total revenues.....	<u>6,502</u>	<u>-</u>
Other financing sources:		
Operating transfers in.....	<u>-</u>	<u>-</u>
Total other financing sources.....	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>6,502</u>	<u>-</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Consumer affairs.....	<u>2,227</u>	<u>-</u>
Total expenditures.....	<u>2,227</u>	<u>-</u>
Other financing uses:		
Operating transfers out.....	<u>2,820</u>	<u>-</u>
Total other financing uses.....	<u>2,820</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>5,047</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	1,455	-
Fund balance (deficit) at beginning of year.....	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year.....	<u>\$ 1,455</u>	<u>\$ -</u>

**Division of Professional Licensure Trust Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 799	\$ -
Total assets.....	<u>\$ 799</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 6	\$ -
Accrued payroll.....	92	-
Total liabilities.....	<u>98</u>	<u>-</u>
Fund balance:		
Designated for specific purpose.....	701	-
Total fund balance (deficit).....	<u>701</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 799</u>	<u>\$ -</u>

**Division of Professional Licensure Trust Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Departmental.....	\$ 1,019	\$ -
Total revenues.....	<u>1,019</u>	<u>-</u>
Other financing sources:		
Operating transfers in.....	<u>-</u>	<u>-</u>
Total other financing sources.....	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>1,019</u>	<u>-</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Consumer affairs.....	<u>287</u>	<u>-</u>
Total expenditures.....	<u>287</u>	<u>-</u>
Other financing uses:		
Fringe benefit cost assessment.....	<u>31</u>	<u>-</u>
Total other financing uses.....	<u>31</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>318</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	701	-
Fund balance (deficit) at beginning of year.....	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year.....	<u>\$ 701</u>	<u>\$ -</u>

**Victims of Drunk Driving Trust Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 17	\$ -
Total assets.....	<u>\$ 17</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Designated for specific purpose.....	17	-
Total fund balance (deficit).....	<u>17</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 17</u>	<u>\$ -</u>

**Victims of Drunk Driving Trust Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Departmental.....	\$ 17	\$ -
Total revenues.....	<u>17</u>	<u>-</u>
Other financing sources:		
Operating transfers in.....	<u>-</u>	<u>-</u>
Total other financing sources.....	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>17</u>	<u>-</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Attorney General.....	<u>-</u>	<u>-</u>
Total expenditures.....	<u>-</u>	<u>-</u>
Other financing uses:		
Operating transfers out.....	<u>-</u>	<u>-</u>
Total other financing uses.....	<u>-</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	17	-
Fund balance (deficit) at beginning of year.....	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year.....	<u>\$ 17</u>	<u>\$ -</u>

**Government Land Bank Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 35,097	\$ 35,097
Total liabilities.....	<u>35,097</u>	<u>35,097</u>
Fund balance:		
Undesignated.....	<u>(35,097)</u>	<u>(35,097)</u>
Total fund balance (deficit).....	<u>(35,097)</u>	<u>(35,097)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

**Government Land Bank Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Departmental.....	\$ 193	\$ 220
Total revenues.....	<u>193</u>	<u>220</u>
Other financing sources:		
Operating transfers in.....	<u>2,263</u>	<u>1,272</u>
Total other financing sources.....	<u>2,263</u>	<u>1,272</u>
Total revenues and other financing sources.....	<u>2,456</u>	<u>1,492</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Debt service:		
Principal retirement.....	212	-
Interest and fiscal charges.....	<u>2,244</u>	<u>1,295</u>
Total expenditures.....	<u>2,456</u>	<u>1,295</u>
Other financing uses:		
Transfer for capital projects due to debt defeasance.....	<u>-</u>	<u>197</u>
Total other financing uses.....	<u>-</u>	<u>197</u>
Total expenditures and other financing uses.....	<u>2,456</u>	<u>1,492</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	-	-
Fund balance (deficit) at beginning of year.....	<u>(35,097)</u>	<u>(35,097)</u>
Fund balance (deficit) at end of year.....	<u>\$ (35,097)</u>	<u>\$ (35,097)</u>

**Mosquito And Greenhead Fly Control Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 689	\$ 1,696
Accounts payable.....	263	468
Accrued payroll.....	<u>152</u>	<u>141</u>
Total liabilities.....	<u>1,104</u>	<u>2,305</u>
Fund balance:		
Undesignated.....	<u>(1,104)</u>	<u>(2,305)</u>
Total fund balance (deficit).....	<u>(1,104)</u>	<u>(2,305)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

**Mosquito And Greenhead Fly Control Fund**  
**Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Assessments.....	\$ 6,393	\$ 5,355
Departmental.....	625	582
Total revenues.....	7,018	5,937
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	7,018	5,937
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Environmental affairs.....	5,811	6,311
Total expenditures.....	5,811	6,311
Other financing uses:		
Fringe benefit cost assessment.....	-	923
Operating transfers out.....	6	7
Total other financing uses.....	6	930
Total expenditures and other financing uses.....	5,817	7,241
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	1,201	(1,304)
Fund balance (deficit) at beginning of year.....	(2,305)	(1,001)
Fund balance (deficit) at end of year.....	\$ (1,104)	\$ (2,305)

**Federally-Assisted Housing Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Designated for specific purpose.....	<u>-</u>	<u>-</u>
Total fund balance (deficit).....	<u>-</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

**Federally-Assisted Housing Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Departmental.....	\$ 131	\$ 126
Total revenues.....	<u>131</u>	<u>126</u>
Other financing sources:		
Operating transfers in.....	<u>5</u>	<u>9</u>
Total other financing sources.....	<u>5</u>	<u>9</u>
Total revenues and other financing sources.....	<u>136</u>	<u>135</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Debt service:		
Principal retirement.....	127	-
Interest and fiscal charges.....	<u>9</u>	<u>13</u>
Total expenditures.....	<u>136</u>	<u>13</u>
Other financing uses:		
Transfer for capital projects due to debt defeasance.....	<u>-</u>	<u>122</u>
Total other financing uses.....	<u>-</u>	<u>122</u>
Total expenditures and other financing uses.....	<u>136</u>	<u>135</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	-	-
Fund balance (deficit) at beginning of year.....	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year.....	<u>\$ -</u>	<u>\$ -</u>

**Oil Overcharge Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 6,610	\$ 8,046
Total assets.....	<u>\$ 6,610</u>	<u>\$ 8,046</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 236	\$ 119
Accrued payroll.....	29	22
Total liabilities.....	<u>265</u>	<u>141</u>
Fund balance:		
Designated for specific purpose.....	6,345	7,905
Total fund balance (deficit).....	6,345	7,905
Total liabilities and fund balance.....	<u>\$ 6,610</u>	<u>\$ 8,046</u>

**Oil Overcharge Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Federal grants and reimbursements.....	\$ 4	\$ 6
Miscellaneous.....	224	1,410
Total revenues.....	228	1,416
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	228	1,416
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Communities and development.....	73	49
Public safety.....	6	15
Consumer affairs.....	1,539	1,139
Total expenditures.....	1,618	1,203
Other financing uses:		
Fringe benefit cost assessment.....	156	168
Operating transfers out.....	14	3
Total other financing uses.....	170	171
Total expenditures and other financing uses.....	1,788	1,374
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(1,560)	42
Fund balance (deficit) at beginning of year.....	7,905	7,863
Fund balance (deficit) at end of year.....	\$ 6,345	\$ 7,905

**Environmental Trust Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 5,956	\$ 6,381
Total assets.....	<u>\$ 5,956</u>	<u>\$ 6,381</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 214	\$ 335
Accrued payroll.....	5	4
Total liabilities.....	<u>219</u>	<u>339</u>
Fund balance:		
Designated for specific purpose.....	5,737	6,042
Total fund balance (deficit).....	<u>5,737</u>	<u>6,042</u>
Total liabilities and fund balance.....	<u>\$ 5,956</u>	<u>\$ 6,381</u>

**Environmental Trust Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Departmental.....	\$ 1,450	\$ 2,084
Miscellaneous.....	154	278
Total revenues.....	<u>1,604</u>	<u>2,362</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	<u>1,604</u>	<u>2,362</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Environmental affairs.....	1,675	1,672
Public safety.....	143	151
Total expenditures.....	<u>1,818</u>	<u>1,823</u>
Other financing uses:		
Fringe benefit cost assessment.....	24	29
Operating transfers out.....	67	59
Total other financing uses.....	91	88
Total expenditures and other financing uses.....	<u>1,909</u>	<u>1,911</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(305)	451
Fund balance (deficit) at beginning of year.....	6,042	5,591
Fund balance (deficit) at end of year.....	<u>\$ 5,737</u>	<u>\$ 6,042</u>

**Children's Trust Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 295	\$ 317
Total assets.....	<u>\$ 295</u>	<u>\$ 317</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 3	\$ 6
Accrued payroll.....	<u>-</u>	<u>2</u>
Total liabilities.....	<u>3</u>	<u>8</u>
Fund balance:		
Designated for specific purpose.....	<u>292</u>	<u>309</u>
Total fund balance (deficit).....	<u>292</u>	<u>309</u>
Total liabilities and fund balance.....	<u>\$ 295</u>	<u>\$ 317</u>

**Children's Trust Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Miscellaneous.....	\$ 7	\$ 13
Total revenues.....	7	13
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	7	13
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Health and human services.....	20	43
Total expenditures.....	20	43
Other financing uses:		
Fringe benefit cost assessment.....	-	3
Operating transfers out.....	4	16
Total other financing uses.....	4	19
Total expenditures and other financing uses.....	24	62
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(17)	(49)
Fund balance (deficit) at beginning of year.....	309	358
Fund balance (deficit) at end of year.....	\$ 292	\$ 309

**Child Support Enforcement Fund**  
Balance Sheet - Statutory Basis

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 3,773	\$ 2,160
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	<u>1,009</u>	<u>695</u>
Total assets.....	<u><u>\$ 4,782</u></u>	<u><u>\$ 2,855</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 879	\$ 1,659
Accrued payroll.....	<u>164</u>	<u>74</u>
Total liabilities.....	<u>1,043</u>	<u>1,733</u>
Fund balance:		
Designated for specific purpose.....	<u>3,739</u>	<u>1,122</u>
Total fund balance (deficit).....	<u>3,739</u>	<u>1,122</u>
Total liabilities and fund balance.....	<u><u>\$ 4,782</u></u>	<u><u>\$ 2,855</u></u>

**Child Support Enforcement Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Federal grants and reimbursements.....	\$ 12,690	\$ 9,982
Departmental.....	6	34
Total revenues.....	12,696	10,016
Other financing sources:		
Other sources.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	12,696	10,016
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Judiciary.....	2,352	-
District Attorney.....	245	19
Administration and finance.....	6,724	9,748
Health and human services.....	142	-
Public safety.....	5	5
Labor.....	60	-
Total expenditures.....	9,528	9,772
Other financing uses:		
Fringe benefit cost assessment.....	315	194
Operating transfers out.....	236	58
Total other financing uses.....	551	252
Total expenditures and other financing uses.....	10,079	10,024
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	2,617	(8)
Fund balance (deficit) at beginning of year.....	1,122	1,130
Fund balance (deficit) at end of year.....	\$ 3,739	\$ 1,122

**Department of Industrial Accidents Special Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 7,999	\$ 10,469
Total assets.....	<u>\$ 7,999</u>	<u>\$ 10,469</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 361	\$ 403
Total liabilities.....	<u>361</u>	<u>403</u>
Fund balance:		
Designated for specific purpose.....	<u>7,638</u>	<u>10,066</u>
Total fund balance (deficit).....	<u>7,638</u>	<u>10,066</u>
Total liabilities and fund balance.....	<u>\$ 7,999</u>	<u>\$ 10,469</u>

**Department of Industrial Accidents Special Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Assessments.....	\$ 15,714	\$ 14,086
Departmental.....	5,042	5,252
Miscellaneous.....	342	933
Total revenues.....	<u>21,098</u>	<u>20,271</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	<u>21,098</u>	<u>20,271</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Labor.....	2,731	1,262
Total expenditures.....	<u>2,731</u>	<u>1,262</u>
Other financing uses:		
Fringe benefit cost assessment.....	2,966	3,798
Operating transfers out.....	17,829	17,871
Total other financing uses.....	<u>20,795</u>	<u>21,669</u>
Total expenditures and other financing uses.....	<u>23,526</u>	<u>22,931</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(2,428)	(2,660)
Fund balance (deficit) at beginning of year.....	10,066	12,726
Fund balance (deficit) at end of year.....	<u>\$ 7,638</u>	<u>\$ 10,066</u>

**County Correction Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 2,190	\$ 2,048
Receivables, net of allowance for uncollectibles:		
Taxes.....	-	434
Total assets.....	<u>\$ 2,190</u>	<u>\$ 2,482</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Designated for specific purpose.....	<u>2,190</u>	<u>2,482</u>
Total fund balance (deficit).....	<u>2,190</u>	<u>2,482</u>
Total liabilities and fund balance.....	<u>\$ 2,190</u>	<u>\$ 2,482</u>

**County Correction Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Taxes.....	\$ 5,687	\$ 5,611
Total revenues.....	<u>5,687</u>	<u>5,611</u>
Other financing sources:		
Operating transfers in.....	<u>-</u>	<u>-</u>
Total other financing sources.....	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>5,687</u>	<u>5,611</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Direct local aid.....	<u>5,979</u>	<u>7,811</u>
Total expenditures.....	<u>5,979</u>	<u>7,811</u>
Other financing uses:		
Operating transfers out.....	<u>-</u>	<u>-</u>
Total other financing uses.....	<u>-</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>5,979</u>	<u>7,811</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(292)	(2,200)
Fund balance (deficit) at beginning of year.....	<u>2,482</u>	<u>4,682</u>
Fund balance (deficit) at end of year.....	<u>\$ 2,190</u>	<u>\$ 2,482</u>

**Massachusetts AIDS Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 100	\$ 200
Total assets.....	<u>\$ 100</u>	<u>\$ 200</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 46	\$ 57
Total liabilities.....	<u>46</u>	<u>57</u>
Fund balance:		
Designated for specific purpose.....	54	143
Total fund balance (deficit).....	<u>54</u>	<u>143</u>
Total liabilities and fund balance.....	<u>\$ 100</u>	<u>\$ 200</u>

**Massachusetts AIDS Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Miscellaneous.....	\$ 163	\$ 184
Total revenues.....	<u>163</u>	<u>184</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	<u>163</u>	<u>184</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Health and human services.....	252	407
Total expenditures.....	<u>252</u>	<u>407</u>
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other financing uses.....	<u>252</u>	<u>407</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(89)	(223)
Fund balance (deficit) at beginning of year.....	143	366
Fund balance (deficit) at end of year.....	<u>\$ 54</u>	<u>\$ 143</u>

**Board Of Registration In Medicine Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts In Thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 208	\$ 113
Total assets.....	<u>\$ 208</u>	<u>\$ 113</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 184	\$ 92
Accrued payroll.....	<u>24</u>	<u>21</u>
Total liabilities.....	<u>208</u>	<u>113</u>
Fund balance:		
Designated for specific purpose.....	<u>-</u>	<u>-</u>
Total fund balance (deficit).....	<u>-</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 208</u>	<u>\$ 113</u>

**Board Of Registration In Medicine Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Departmental.....	\$ 1,805	\$ 1,916
Total revenues.....	<u>1,805</u>	<u>1,916</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	<u>1,805</u>	<u>1,916</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Administration and finance.....	1	-
Consumer affairs.....	1,425	1,457
Total expenditures.....	<u>1,426</u>	<u>1,457</u>
Other financing uses:		
Fringe benefit cost assessment.....	130	166
Operating transfers out.....	249	293
Total other financing uses.....	<u>379</u>	<u>459</u>
Total expenditures and other financing uses.....	<u>1,805</u>	<u>1,916</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	-	-
Fund balance (deficit) at beginning of year.....	-	-
Fund balance (deficit) at end of year.....	<u>\$ -</u>	<u>\$ -</u>

**Water Pollution Abatement Projects Administration Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 2,342	\$ 622
Total assets.....	<u>\$ 2,342</u>	<u>\$ 622</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 777	\$ 415
Accrued payroll.....	<u>169</u>	<u>109</u>
Total liabilities.....	<u>946</u>	<u>524</u>
Fund balance:		
Designated for specific purpose.....	<u>1,396</u>	<u>98</u>
Total fund balance (deficit).....	<u>1,396</u>	<u>98</u>
Total liabilities and fund balance.....	<u>\$ 2,342</u>	<u>\$ 622</u>

**Water Pollution Abatement Projects Administration Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Miscellaneous.....	\$ 10,679	\$ 6,472
Total revenues.....	<u>10,679</u>	<u>6,472</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	<u>10,679</u>	<u>6,472</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Environmental affairs.....	7,154	5,117
Total expenditures.....	<u>7,154</u>	<u>5,117</u>
Other financing uses:		
Fringe benefit cost assessment.....	966	912
Operating transfers out.....	1,261	1,197
Total other financing uses.....	<u>2,227</u>	<u>2,109</u>
Total expenditures and other financing uses.....	<u>9,381</u>	<u>7,226</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	1,298	(754)
Fund balance (deficit) at beginning of year.....	98	852
Fund balance (deficit) at end of year.....	<u>\$ 1,396</u>	<u>\$ 98</u>

**Commonwealth Sewer Rate Relief Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 30	\$ 1,903
Total assets.....	<u>\$ 30</u>	<u>\$ 1,903</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Designated for specific purpose.....	<u>30</u>	<u>1,903</u>
Total fund balance (deficit).....	<u>30</u>	<u>1,903</u>
Total liabilities and fund balance.....	<u>\$ 30</u>	<u>\$ 1,903</u>

**Commonwealth Sewer Rate Relief Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	<u>-</u>	<u>-</u>
Other financing sources:		
Sewer rate relief.....	58,655	53,914
Total other financing sources.....	<u>58,655</u>	<u>53,914</u>
Total revenues and other financing sources.....	<u>58,655</u>	<u>53,914</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Administration and finance.....	60,528	61,715
Total expenditures.....	<u>60,528</u>	<u>61,715</u>
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	<u>-</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>60,528</u>	<u>61,715</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(1,873)	(7,801)
Fund balance (deficit) at beginning of year.....	1,903	9,704
Fund balance (deficit) at end of year.....	<u>\$ 30</u>	<u>\$ 1,903</u>

**Motor Vehicle Safety Inspection Trust Fund**  
Balance Sheet - Statutory Basis

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 24,477	\$ 14,505
Accounts payable.....	478	858
Accrued payroll.....	101	92
Total liabilities.....	<u>25,056</u>	<u>15,455</u>
Fund balance:		
Undesignated.....	<u>(25,056)</u>	<u>(15,455)</u>
Total fund balance (deficit).....	<u>(25,056)</u>	<u>(15,455)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

**Motor Vehicle Safety Inspection Trust Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Departmental.....	\$ 39,378	\$ 43,213
Total revenues.....	<u>39,378</u>	<u>43,213</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	<u>39,378</u>	<u>43,213</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Environmental affairs.....	1,939	2,083
Public safety.....	<u>32,041</u>	<u>31,971</u>
Total expenditures.....	<u>33,980</u>	<u>34,054</u>
Other financing uses:		
Fringe benefit cost assessment.....	594	441
Operating transfers out.....	<u>14,405</u>	<u>14,675</u>
Total other financing uses.....	<u>14,999</u>	<u>15,116</u>
Total expenditures and other financing uses.....	<u>48,979</u>	<u>49,170</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(9,601)	(5,957)
Fund balance (deficit) at beginning of year.....	<u>(15,455)</u>	<u>(9,498)</u>
Fund balance (deficit) at end of year.....	<u>\$ (25,056)</u>	<u>\$ (15,455)</u>

**Child Care Quality Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 541	\$ 442
Total assets.....	<u>\$ 541</u>	<u>\$ 442</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 10	\$ 90
Total liabilities.....	<u>10</u>	<u>90</u>
Fund balance:		
Designated for specific purpose.....	531	352
Total fund balance (deficit).....	<u>531</u>	<u>352</u>
Total liabilities and fund balance.....	<u>\$ 541</u>	<u>\$ 442</u>

**Child Care Quality Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Departmental.....	\$ 286	\$ 271
Total revenues.....	<u>286</u>	<u>271</u>
Other financing sources:		
Operating transfers in.....	<u>-</u>	<u>-</u>
Total other financing sources.....	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>286</u>	<u>271</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Health and human services.....	<u>107</u>	<u>126</u>
Total expenditures.....	<u>107</u>	<u>126</u>
Other financing uses:		
Fringe benefit cost assessment.....	<u>-</u>	<u>-</u>
Total other financing uses.....	<u>-</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>107</u>	<u>126</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	179	145
Fund balance (deficit) at beginning of year.....	<u>352</u>	<u>207</u>
Fund balance (deficit) at end of year.....	<u>\$ 531</u>	<u>\$ 352</u>

**Grant Anticipation Note Trust Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 33,507	\$ 40,930
Cash with fiscal agent.....	79,664	83,252
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	66,999	77,206
Total assets.....	<u>\$ 180,170</u>	<u>\$ 201,388</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Due to other funds.....	\$ 66,999	\$ 77,206
Total liabilities.....	<u>66,999</u>	<u>77,206</u>
Fund balance:		
Reserved fund balance:		
Reserved for debt service.....	79,664	83,252
Unreserved fund balance (deficit):		
Designated for specific purpose.....	33,507	40,930
Total fund balance (deficit).....	<u>113,171</u>	<u>124,182</u>
Total liabilities and fund balance.....	<u>\$ 180,170</u>	<u>\$ 201,388</u>

**Grant Anticipation Note Trust Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Federal grants and reimbursements.....	\$ 497,453	\$ 460,376
Miscellaneous.....	3,592	12,260
Total revenues.....	501,045	472,636
Other financing sources:		
Proceeds of grant anticipation notes.....	-	600,009
Operating transfers in.....	69,211	84,816
Total other financing sources.....	69,211	684,825
Total revenues and other financing sources.....	570,256	1,157,461
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Debt service:		
Interest and fiscal charges.....	74,821	61,384
Total expenditures.....	74,821	61,384
Other financing uses:		
Federal reimbursement transfers out.....	497,453	460,376
Operating transfers out.....	8,993	352,950
Total other financing uses.....	506,446	813,326
Total expenditures and other financing uses.....	581,267	874,710
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(11,011)	282,751
Fund balance (deficit) at beginning of year.....	124,182	(158,569)
Fund balance (deficit) at end of year.....	\$ 113,171	\$ 124,182



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# Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources used to acquire or construct major capital assets of the Commonwealth and to finance local governmental capital projects.

**General Capital Projects Fund** - to account for proceeds of bonds sold to fund the construction or acquisition of capital assets for general Commonwealth purposes, excluding highway construction and projects targeted for specific localities or purposes.

**Capital Investment Trust Fund** – to account for a transfer from the General Fund to finance appropriated items of a capital nature pursuant to sections 2E and 107 of Chapter 88 of the Acts of 1997.

**Convention and Exhibition Center Capital Fund** -to account for proceeds of bonds to finance the construction of a convention center in Boston.

**Capital Improvements and Investment Trust Fund** - to account for the Commonwealth's reimbursement to cities and towns for expenses incurred for projects for construction and reconstruction of town and county ways.

**Capital Expenditure Reserve Fund** - to account for amounts paid by the Massachusetts Turnpike Authority as payment toward the acquisition cost of the Third Harbor Tunnel and Federal financial participation money related to expenditure amounts paid by Massachusetts Port Authority as determined by a feasibility study; used to pay principal and interest on certain bonds, related notes or direct capital expenditures.

**Highway Capital Projects Fund** – to account for the proceeds of bonds sold to finance construction of state highways and to fund the Commonwealth's share of Federally sponsored highway construction.

**Federal Highway Construction Program Capital Projects Fund** - to account for federal highway construction grants which, with the Commonwealth's required share of matching funds, finance interstate highways and similar projects within Massachusetts to promote a nationwide highway system.

**Central Artery Statewide Road and Bridge Infrastructure Fund** - to account for bond proceeds, certain revenues from Registry of Motor Vehicle fees, (net of debt service expenditures) and payments from authorities. The purpose of expenditures of the fund is to meet the estimated additional costs associated with the Central Artery/Ted Williams Tunnel Project and for costs of the statewide road and bridge program. As promulgated in Chapters 87 and 125 (sections 7 through 10) of the Acts of 2000, this fund also receives and expends interest revenue and receives and expends savings from the defeasance of debt that occurred during FY01.

**Capital Needs Investment Trust Fund** – to account for the activities promulgated in Chapter 159 of the Acts of 2000 (the General Appropriation Act,) Section 357. The fund accounts for certain transferred portions of tax revenues during FY01 through FY05 to the following funds and purposes: to the Affordable Housing Trust Fund, to the Department of Education for virtual education space, for its information management system and for technological purposes and curriculum development and finally, for the rehabilitation and reuse of mental health, mental retardation facilities and other capital needs of the Commonwealth. The fund expires as of June 30, 2005 with any remaining balance transferred to the Stabilization Fund.

## LOCAL AID FUNDS:

The Comptroller in Fiscal Year 2000 eliminated six capital projects funds set up by the Comptroller under Chapter 7A of the General Laws. The activity in these funds has become immaterial and has been consolidated into one fund. The former six funds are the Lockup Facilities Improvements, County Correctional Facilities, State Recreational Areas, Metropolitan Parks, Suffolk County Jail Facility and Local Infrastructure Capital Projects Funds. In addition, the Water Pollution Control Capital Projects Fund is consolidated for FY01.

**Local Capital Projects Fund** - to account for the proceeds of bonds sold to finance the construction of correctional facilities, water pollution abatement projects and other local projects in specific localities of the Commonwealth. The fund accounts for the proceeds of bonds to finance improvements to lockup facilities, state police lockup facilities and to finance improvements to County Correctional Facilities, and other monies received by Department of Environmental Management pertaining to state parks, reservations and recreation areas outside the metropolitan parks district; used for purposes of state parks, reservations and recreation areas outside the metropolitan parks district.

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**OTHER FUNDS:**

These funds account for the proceeds of bonds used to to finance land and transportation equipment for economic development.

***Government Land Bank Capital Projects Fund*** - to account for proceeds of bonds used to finance the acquisition, holding, protection, maintenance, repair or use of lands and for personnel and the administrative costs of the Massachusetts Development Finance Agency.

***Intercity Bus Capital Assistance Capital Projects Fund*** - to account for proceeds of bonds used for the acquisition and leasing of inter-city coaches and for planning and other relevant costs.



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**Capital Projects Funds**  
Combining Balance Sheet - Statutory Basis

June 30, 2002 and 2001  
(Amounts in thousands)

ASSETS	General Capital Projects	Capital Investment Trust	Convention and Exhibition Center Capital	Capital Improvements and Investment Trust	Capital Expenditure Reserve
Cash and short-term investments.....	\$ -	\$ -	\$ 97,330	\$ -	\$ -
Cash with fiscal agent.....	-	-	-	-	-
Due from other funds.....	-	-	-	-	-
Total assets.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,330</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Deficiency in cash and short-term investments.....	\$ 76,049	\$ 589	\$ -	\$ 21,728	\$ 12,874
Accounts payable.....	119,298	367	24,522	8,126	-
Accrued payroll.....	699	1	-	4	-
Bonds and notes payable.....	-	-	350,000	-	180,000
Total liabilities.....	<u>196,046</u>	<u>957</u>	<u>374,522</u>	<u>29,858</u>	<u>192,874</u>
Fund balance:					
Reserved for:					
Debt service.....	-	-	-	-	-
Capital projects.....	-	-	-	-	-
Unreserved:					
Designated for specific purpose.....	-	-	-	-	26,572
Undesignated.....	(196,046)	(957)	(277,192)	(29,858)	(219,446)
Total fund balance (deficits).....	<u>(196,046)</u>	<u>(957)</u>	<u>(277,192)</u>	<u>(29,858)</u>	<u>(192,874)</u>
Total liabilities and fund balances.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,330</u>	<u>\$ -</u>	<u>\$ -</u>

Highway Capital Projects	Federal Highway Construction Program	Central Artery Statewide Road and Bridge Infrastructure	Capital Needs Investment Trust	Government Land Bank Capital Projects	Intercity Bus Capital Assistance	Local Capital Projects	Totals (Memorandum only)	
							2002	2001
\$ -	\$ 49,617	\$ 1,097,231	\$ 10,534	\$ -	\$ -	\$ -	\$ 1,254,712	\$ 2,052,689
236,498	-	-	-	-	-	-	236,498	-
-	66,936	-	-	-	-	-	66,936	76,936
<u>\$ 236,498</u>	<u>\$ 116,553</u>	<u>\$ 1,097,231</u>	<u>\$ 10,534</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,558,146</u>	<u>\$ 2,129,625</u>
\$ 482,611	\$ -	\$ -	\$ -	\$ -	-	\$ 8,075	\$ 601,926	\$ 757,632
50,282	106,873	79,501	1,007	-	-	3,041	393,017	463,237
1,665	458	-	-	-	-	78	2,905	2,305
-	-	-	-	-	-	-	530,000	260,000
<u>534,558</u>	<u>107,331</u>	<u>79,501</u>	<u>1,007</u>	<u>-</u>	<u>-</u>	<u>11,194</u>	<u>1,527,848</u>	<u>1,483,174</u>
236,498	-	-	-	-	-	-	236,498	-
-	9,222	1,017,730	9,527	-	-	-	1,036,479	1,765,374
-	-	-	-	-	-	-	26,572	-
(534,558)	-	-	-	-	-	(11,194)	(1,269,251)	(1,118,923)
<u>(298,060)</u>	<u>9,222</u>	<u>1,017,730</u>	<u>9,527</u>	<u>-</u>	<u>-</u>	<u>(11,194)</u>	<u>30,298</u>	<u>646,451</u>
<u>\$ 236,498</u>	<u>\$ 116,553</u>	<u>\$ 1,097,231</u>	<u>\$ 10,534</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,558,146</u>	<u>\$ 2,129,625</u>

**Capital Projects Funds**  
Combining Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

Fiscal Years Ended June 30, 2002 and 2001  
(Amounts in thousands)

	General Capital Projects	Capital Investment Trust	Convention and Exhibition Center Capital	Capital Improvements and Investment Trust	Capital Expenditure Reserve
<b>REVENUES AND OTHER FINANCING SOURCES</b>					
Revenues:					
Federal grants and reimbursements.....	\$ 237	\$ -	\$ -	\$ -	\$ -
Departmental.....	-	-	-	-	-
Payments from authorities.....	-	-	-	-	-
Miscellaneous.....	-	-	8,887	-	2,805
Total revenues.....	237	-	8,887	-	2,805
Other financing sources:					
Proceeds of general and special obligation bonds.....	546,687	-	-	-	-
Proceeds of refunding bonds.....	288,692	-	-	-	-
Surplus transfer for capital projects.....	-	-	-	-	-
Transfer in due to debt defeasance.....	-	-	-	-	-
Operating transfers in.....	-	-	-	-	-
Federal reimbursement transfer in.....	-	-	-	-	-
State share of federal highway construction.....	-	-	-	-	-
Total other financing sources.....	835,379	-	-	-	-
Total revenues and other financing sources.....	835,616	-	8,887	-	2,805
<b>EXPENDITURES AND OTHER FINANCING USES</b>					
Expenditures:					
Legislature.....	114	-	-	319	-
Judiciary.....	4,508	356	-	-	-
Inspector General.....	54	-	-	-	62
Secretary of the Commonwealth.....	614	77	-	4,845	-
Treasurer and Receiver-General.....	2,750	-	-	-	-
Auditor of the Commonwealth.....	1,111	-	-	-	-
Attorney General.....	750	-	74	-	-
Ethics Commission.....	94	-	-	-	-
District Attorney.....	2,186	-	-	809	-
Office of Campaign & Political Finance.....	102	-	-	-	-
Sheriff's Departments.....	1,851	-	-	26	-
Disabled Persons Protection Commision.....	224	-	-	-	-
Board of Library Commissioners.....	41	-	-	20,469	-
Comptroller.....	2,959	-	-	-	-
Administration and finance.....	223,984	829	134,035	4,910	-
Environmental affairs.....	143,733	243	-	2,827	-
Communities and development.....	101,903	-	-	425	-
Health and human services.....	15,816	-	-	354	-
Transportation and construction.....	9,150	-	-	78	52,170
Education.....	4,883	-	-	273	-
Higher education.....	45,679	2	-	799	-
Public safety.....	17,698	196	-	3,087	-
Economic development.....	1,526	-	-	-	-
Consumer affairs.....	938	-	-	-	-
Labor.....	750	-	-	-	-
Total expenditures.....	583,418	1,703	134,109	39,221	52,232
Other financing uses:					
Payments to refunded bond escrow agent.....	288,692	-	-	-	-
Fringe benefit cost assessment.....	3,887	32	-	39	14
State share of federal highway construction.....	-	-	-	-	-
Capital projects funds year end transfer.....	51,369	-	-	-	-
Operating transfers out.....	22	3,074	-	98,731	6
Total other financing uses.....	343,970	3,106	-	98,770	20
Total expenditures and other financing uses.....	927,388	4,809	134,109	137,991	52,252
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(91,772)	(4,809)	(125,222)	(137,991)	(49,447)
Fund balances (deficits) at beginning of year.....	(104,274)	3,852	(151,970)	108,133	(143,427)
Fund balances (deficits) at end of year.....	\$ (196,046)	\$ (957)	\$ (277,192)	\$ (29,858)	\$ (192,874)

Highway Capital Projects	Federal Highway Construction Program	Central Artery Statewide Road and Bridge Infrastructure	Capital Needs Investment Trust	Government Land Bank Capital Projects	Intercity Bus Capital Assistance	Local Capital Projects	Totals (Memorandum only)	
							2002	2001
\$ -	\$ 102	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 339	\$ 1,035
-	2,084	-	-	-	-	-	2,084	193
-	-	-	-	-	-	-	-	265,000
-	686	40,209	-	-	-	-	52,587	64,069
-	2,872	40,209	-	-	-	-	55,010	330,297
786,837	-	-	-	6,300	3,531	14,605	1,357,960	1,911,676
899,658	-	-	-	17,660	-	295,405	1,501,415	998,729
-	-	-	-	-	-	-	-	34,462
-	-	34,590	-	-	-	-	34,590	624,589
8,993	-	70,073	45,000	-	-	-	124,066	517,351
-	495,551	-	-	-	-	-	495,551	458,659
-	168,595	-	-	-	-	-	168,595	649,527
1,695,488	664,146	104,663	45,000	23,960	3,531	310,010	3,682,177	5,194,993
1,695,488	667,018	144,872	45,000	23,960	3,531	310,010	3,737,187	5,525,290
-	-	-	-	-	-	-	433	1,967
-	-	-	-	-	-	14	4,878	15,645
-	-	-	-	-	-	-	116	569
-	95	-	-	-	-	-	5,631	5,470
-	-	-	-	-	-	9,887	12,637	12,454
-	-	-	-	-	-	-	1,111	616
585	670	-	-	-	-	-	2,079	1,312
-	-	-	-	-	-	-	94	-
-	-	-	-	-	-	-	2,995	679
-	-	-	-	-	-	-	102	500
-	-	-	-	-	-	-	1,877	3,945
-	-	-	-	-	-	-	224	-
-	-	-	-	-	-	-	20,510	19,450
-	-	-	-	-	-	-	2,959	2,332
9,147	-	-	2,798	-	-	2,773	378,476	287,945
17,759	3,183	1,450	-	-	-	8,498	177,693	163,529
-	-	-	-	-	-	98	102,426	76,529
-	-	-	915	-	-	53	17,138	16,177
404,230	649,968	763,037	-	-	-	-	1,878,633	1,962,713
-	-	-	4,523	-	-	-	9,679	10,661
191	-	-	246	-	-	-	46,917	32,990
4,317	537	-	8	-	-	41	25,884	43,938
-	142	-	-	-	-	-	1,668	728
106	-	-	-	-	-	-	1,044	2,287
-	205	-	-	-	-	-	955	1,028
436,335	654,800	764,487	8,490	-	-	21,364	2,696,159	2,663,464
674,805	-	-	-	17,660	-	295,405	1,276,562	998,729
8,344	2,738	27	-	-	-	612	15,693	17,392
168,595	-	-	-	-	-	-	168,595	649,527
-	-	-	-	-	-	-	51,369	-
105	1	-	43,000	-	-	23	144,962	64,169
851,849	2,739	27	43,000	17,660	-	296,040	1,657,181	1,729,817
1,288,184	657,539	764,514	51,490	17,660	-	317,404	4,353,340	4,393,281
407,304	9,479	(619,642)	(6,490)	6,300	3,531	(7,394)	(616,153)	1,132,009
(705,364)	(257)	1,637,372	16,017	(6,300)	(3,531)	(3,800)	646,451	(485,558)
\$ (298,060)	\$ 9,222	\$ 1,017,730	\$ 9,527	\$ -	\$ -	\$ (11,194)	\$ 30,298	\$ 646,451

**General Capital Projects Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ 1,108
Total assets.....	<u>\$ -</u>	<u>\$ 1,108</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 76,049	\$ -
Accounts payable.....	119,298	105,084
Accrued payroll.....	<u>699</u>	<u>298</u>
Total liabilities.....	<u>196,046</u>	<u>105,382</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(196,046)</u>	<u>(104,274)</u>
Total fund balance (deficit) .....	<u>(196,046)</u>	<u>(104,274)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 1,108</u>

**General Capital Projects Fund**  
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Federal grants and reimbursements.....	\$ 237	\$ 835
Total revenues.....	<u>237</u>	<u>835</u>
Other financing sources:		
Proceeds of general obligation bonds.....	546,687	372,819
Proceeds of refunding bonds.....	288,692	204,961
Surplus transfer for capital projects.....	-	34,462
Total other financing sources.....	<u>835,379</u>	<u>612,242</u>
Total revenues and other financing sources.....	<u>835,616</u>	<u>613,077</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Legislature.....	114	151
Judiciary.....	4,508	13,134
Inspector General.....	54	143
Secretary of the Commonwealth.....	614	4,330
Treasurer and Receiver-General.....	2,750	3,341
Auditor of the Commonwealth.....	1,111	616
Attorney General.....	750	404
Ethics Commission.....	94	-
District Attorney.....	2,186	500
Office of Campaign and Political Finance.....	102	500
Sheriff's Departments.....	1,851	3,128
Disabled Persons Protection Commission.....	224	-
Board of Library Commissioner.....	41	-
Comptroller.....	2,959	2,326
Administration and finance.....	223,984	140,234
Environmental affairs.....	143,733	122,299
Communities and development.....	101,903	74,780
Health and human services.....	15,816	12,399
Transportation and construction.....	9,150	11,557
Education.....	4,883	185
Higher education.....	45,679	30,105
Public safety.....	17,698	21,851
Economic development.....	1,526	408
Consumer affairs.....	938	2,246
Labor.....	750	873
Total expenditures.....	<u>583,418</u>	<u>445,510</u>
Other financing uses:		
Payments to refunded bond escrow agent.....	288,692	204,961
Fringe benefit cost assessment.....	3,887	3,570
Capital projects funds year end transfer.....	51,369	-
Operating transfers out.....	22	20,030
Total other financing uses.....	<u>343,970</u>	<u>228,561</u>
Total expenditures and other financing uses.....	<u>927,388</u>	<u>674,071</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	(91,772)	(60,994)
Fund balance (deficit) at beginning of year.....	<u>(104,274)</u>	<u>(43,280)</u>
Fund balance (deficit) at end of year.....	<u>\$ (196,046)</u>	<u>\$ (104,274)</u>

**Capital Investment Trust Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ 5,119
Total assets.....	<u>\$ -</u>	<u>\$ 5,119</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 589	\$ -
Accounts payable.....	367	1,267
Accrued payroll.....	1	-
Total liabilities.....	<u>957</u>	<u>1,267</u>
Fund balance:		
Reserved fund balance:		
Reserved for capital projects.....	-	3,852
Unreserved fund balance (deficit):		
Undesignated.....	(957)	-
Total fund balance (deficit) .....	<u>(957)</u>	<u>3,852</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 5,119</u>

**Capital Investment Trust Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	-	-
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Judiciary.....	356	2,224
Secretary of the Commonwealth.....	77	25
Sheriff's Departments.....	-	817
Administration and finance.....	829	1,027
Environmental affairs.....	243	1,544
Health and human services.....	-	123
Higher education.....	2	16
Public safety.....	196	181
Total expenditures.....	1,703	5,957
Other financing uses:		
Fringe benefit cost assessment.....	32	1
Operating transfers out.....	3,074	-
Total other financing uses.....	3,106	1
Total expenditures and other financing uses.....	4,809	5,958
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	(4,809)	(5,958)
Fund balance (deficit) at beginning of year.....	3,852	9,810
Fund balance at end of year.....	\$ (957)	\$ 3,852

**Convention and Exhibition Center Capital Fund**  
Balance Sheet - Statutory Basis

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 97,330	\$ 135,664
Total assets.....	<u>\$ 97,330</u>	<u>\$ 135,664</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 24,522	\$ 27,634
Bonds and notes payable.....	350,000	260,000
Total liabilities.....	<u>374,522</u>	<u>287,634</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(277,192)</u>	<u>(151,970)</u>
Total fund balance (deficit).....	<u>(277,192)</u>	<u>(151,970)</u>
Total liabilities and fund balance.....	<u>\$ 97,330</u>	<u>\$ 135,664</u>

**Convention and Exhibition Center Capital Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Miscellaneous.....	\$ 8,887	\$ -
Total revenues.....	8,887	-
Other financing sources:		
Proceeds of general obligation bonds.....	-	2,861
Total other financing sources.....	-	2,861
Total revenues and other financing sources.....	8,887	2,861
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Attorney General.....	74	31
Administration and finance.....	134,035	124,998
Total expenditures.....	134,109	125,029
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other financing uses.....	134,109	125,029
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	(125,222)	(122,168)
Fund balance (deficit) at beginning of year.....	(151,970)	(29,802)
Fund balance (deficit) at end of year.....	\$ (277,192)	\$ (151,970)

**Capital Improvements and Investment Trust Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ 121,632
Total assets.....	<u>\$ -</u>	<u>\$ 121,632</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 21,728	\$ -
Accounts payable.....	8,126	13,499
Accrued payroll.....	4	-
Total liabilities.....	<u>29,858</u>	<u>13,499</u>
Fund balance:		
Reserved fund balance:		
Reserved for capital projects.....	-	108,133
Unreserved fund balance (deficit):		
Undesignated.....	<u>(29,858)</u>	<u>-</u>
Total fund balance (deficit) .....	<u>(29,858)</u>	<u>108,133</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 121,632</u>

**Capital Improvements and Investment Trust Fund**  
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Transfer for capital projects funds.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	-	-
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Legislature.....	319	1,816
Secretary of Commonwealth.....	4,845	550
District Attorney.....	809	179
Sheriff's Departments.....	26	-
Board of Library Commissioners.....	20,469	12,779
Comptroller.....	-	6
Administration and finance.....	4,910	9,595
Environmental affairs.....	2,827	9,488
Communities and development.....	425	249
Health and human services.....	354	3,130
Transportation and construction.....	78	51,722
Education.....	273	2,087
Higher education.....	799	2,862
Public safety.....	3,087	11,777
Economic affairs.....	-	100
Total expenditures.....	39,221	106,340
Other financing uses:		
Fringe benefit cost assessment.....	39	12
Operating transfers out.....	98,731	-
Total other financing uses.....	98,770	12
Total expenditures and other financing uses.....	137,991	106,352
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	(137,991)	(106,352)
Fund balance (deficit) at beginning of year.....	108,133	214,485
Fund balance (deficit) at end of year.....	\$ (29,858)	\$ 108,133

**Capital Expenditure Reserve Fund**  
Balance Sheet - Statutory Basis

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 12,874	\$ 138,589
Accounts payable.....	-	4,828
Accrued payroll.....	-	10
Bonds and notes payable.....	180,000	-
Total liabilities.....	<u>192,874</u>	<u>143,427</u>
Fund balance:		
Unreserved fund balance (deficit):		
Designated for specific purpose.....	26,572	-
Undesignated.....	(219,446)	(143,427)
Total fund balance (deficit) .....	<u>(192,874)</u>	<u>(143,427)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

**Capital Expenditure Reserve Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Miscellaneous.....	\$ 2,805	\$ 4,795
Total revenues.....	<u>2,805</u>	<u>4,795</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>2,805</u>	<u>4,795</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Inspector General.....	62	367
Transportation and construction.....	52,170	81,569
Total expenditures.....	<u>52,232</u>	<u>81,936</u>
Other financing uses:		
Fringe benefit cost assessment.....	14	97
Operating transfers out.....	6	24,035
Total other financing uses.....	<u>20</u>	<u>24,132</u>
Total expenditures and other financing uses.....	<u>52,252</u>	<u>106,068</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	(49,447)	(101,273)
Fund balance (deficit) at beginning of year.....	(143,427)	(42,154)
Fund balance (deficit) at end of year.....	<u>\$ (192,874)</u>	<u>\$ (143,427)</u>

# Highway Capital Projects Fund

## Balance Sheet - Statutory Basis

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash with fiscal agent.....	\$ 236,498	\$ -
Total assets.....	<u>\$ 236,498</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 482,611	\$ 615,512
Accounts payable.....	50,282	88,423
Accrued payroll.....	1,665	1,429
Total liabilities.....	<u>534,558</u>	<u>705,364</u>
Fund balance:		
Reserved fund balance:		
Reserved for debt service.....	236,498	-
Unreserved fund balance (deficit):		
Undesignated.....	<u>(534,558)</u>	<u>(705,364)</u>
Total fund balance (deficit).....	<u>(298,060)</u>	<u>(705,364)</u>
Total liabilities and fund balance.....	<u>\$ 236,498</u>	<u>\$ -</u>

# Highway Capital Projects Fund

## Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Miscellaneous.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Proceeds of general and special obligation bonds.....	786,837	481,525
Proceeds of refunding bonds.....	899,658	729,058
Operating transfers in.....	8,993	404,450
Total other financing sources.....	1,695,488	1,615,033
Total revenues and other financing sources.....	1,695,488	1,615,033
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Inspector General.....	-	32
Attorney General.....	585	463
Administration and finance.....	9,147	620
Environmental affairs.....	17,759	17,901
Health and human services.....	-	76
Transportation and construction.....	404,230	337,067
Higher education.....	191	7
Public safety.....	4,317	8,692
Consumer affairs.....	106	41
Total expenditures.....	436,335	364,899
Other financing uses:		
Payments to refunded bond escrow agent.....	674,805	729,058
Fringe benefit cost assessment.....	8,344	9,658
State share of federal highway .....	168,595	649,527
Operating transfers out.....	105	70
Total expenditures and other financing uses.....	851,849	1,388,313
Total expenditures and other uses.....	1,288,184	1,753,212
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	407,304	(138,179)
Fund balance (deficit) at beginning of year.....	(705,364)	(567,185)
Fund balance (deficit) at end of year.....	\$ (298,060)	\$ (705,364)

**Federal Highway Construction Program Capital Projects Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 49,617	\$ 88,143
Due from other funds.....	<u>66,936</u>	<u>76,936</u>
Total assets.....	<u><u>\$ 116,553</u></u>	<u><u>\$ 165,079</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 106,873	\$ 164,791
Accrued payroll.....	<u>458</u>	<u>545</u>
Total liabilities.....	<u>107,331</u>	<u>165,336</u>
Fund balance:		
Reserved fund balance:		
Reserved for capital projects.....	<u>9,222</u>	<u>(257)</u>
Total fund balance (deficit).....	<u>9,222</u>	<u>(257)</u>
Total liabilities and fund balance.....	<u><u>\$ 116,553</u></u>	<u><u>\$ 165,079</u></u>

**Federal Highway Construction Program Capital Projects Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Federal grants and reimbursements.....	\$ 102	\$ 200
Departmental.....	2,084	193
Miscellaneous.....	686	47
Total revenues.....	2,872	440
Other financing sources:		
State share of federal highway construction.....	168,595	649,527
Federal reimbursement transfers in.....	495,551	458,659
Total other financing sources.....	664,146	1,108,186
Total revenues and other financing sources.....	667,018	1,108,626
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Inspector General.....	-	27
Secretary of the Commonwealth.....	95	565
Attorney General.....	670	414
Environmental affairs.....	3,183	1,207
Transportation and construction.....	649,968	1,101,467
Public safety.....	537	1,312
Economic development.....	142	220
Labor.....	205	155
Total expenditures.....	654,800	1,105,367
Other financing uses:		
Fringe benefit cost assessment.....	2,738	3,490
Operating transfers out.....	1	26
Total other financing uses.....	2,739	3,516
Total expenditures and other financing uses.....	657,539	1,108,883
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	9,479	(257)
Fund balance (deficit) at beginning of year.....	(257)	-
Fund balance (deficit) at end of year.....	\$ 9,222	\$ (257)

**Central Artery Statewide Road and Bridge Infrastructure Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 1,097,231	\$ 1,681,490
Total assets.....	<u>\$ 1,097,231</u>	<u>\$ 1,681,490</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 79,501	\$ 44,118
Total liabilities.....	<u>79,501</u>	<u>44,118</u>
Fund balance:		
Reserved fund balance:		
Reserved for capital projects.....	<u>1,017,730</u>	<u>1,637,372</u>
Total fund balance (deficit) .....	<u>1,017,730</u>	<u>1,637,372</u>
Total liabilities and fund balance.....	<u>\$ 1,097,231</u>	<u>\$ 1,681,490</u>

**Central Artery Statewide Road and Bridge Infrastructure Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Miscellaneous.....	\$ 40,209	\$ 59,227
Payments from authorities.....	-	265,000
Total revenues.....	<u>40,209</u>	<u>324,227</u>
Other financing sources:		
Proceeds of general obligation bonds.....	-	999,995
Operating transfers in.....	70,073	67,901
Transfer in due to debt defeasance.....	<u>34,590</u>	<u>624,589</u>
Total other financing sources.....	<u>104,663</u>	<u>1,692,485</u>
Total revenues and other financing sources.....	<u>144,872</u>	<u>2,016,712</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Environmental affairs.....	1,450	9
Transportation and construction.....	<u>763,037</u>	<u>379,331</u>
Total expenditures.....	<u>764,487</u>	<u>379,340</u>
Other financing uses:		
Fringe benefit cost assessmentt.....	<u>27</u>	<u>-</u>
Total other financing uses.....	<u>27</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>764,514</u>	<u>379,340</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	(619,642)	1,637,372
Fund balance (deficit) at beginning of year.....	<u>1,637,372</u>	<u>-</u>
Fund balance (deficit) at end of year.....	<u><u>\$ 1,017,730</u></u>	<u><u>\$ 1,637,372</u></u>

**Capital Needs Investment Trust Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 10,534	\$ 18,229
Total assets.....	<u>\$ 10,534</u>	<u>\$ 18,229</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 1,007	\$ 2,212
Total liabilities.....	<u>1,007</u>	<u>2,212</u>
Fund balance:		
Reserved fund balance:		
Reserved for capital projects.....	<u>9,527</u>	<u>16,017</u>
Total fund balance (deficit) .....	<u>9,527</u>	<u>16,017</u>
Total liabilities and fund balance.....	<u>\$ 10,534</u>	<u>\$ 18,229</u>

**Capital Needs Investment Trust Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Miscellaneous.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Operating transfers in.....	45,000	45,000
Total other financing sources.....	45,000	45,000
Total revenues and other financing sources.....	45,000	45,000
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Administration and finance.....	2,798	296
Health and human services.....	915	298
Education.....	4,523	8,389
Higher education.....	246	-
Public safety.....	8	-
Total expenditures.....	8,490	8,983
Other financing uses:		
Operating transfers out.....	43,000	20,000
Total other financing uses.....	43,000	20,000
Total expenditures and other financing uses.....	51,490	28,983
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	(6,490)	16,017
Fund balance (deficit) at beginning of year.....	16,017	-
Fund balance (deficit) at end of year.....	\$ 9,527	\$ 16,017

**Government Land Bank Capital Projects Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ 6,300
Total liabilities.....	<u>-</u>	<u>6,300</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	-	(6,300)
Total fund balance (deficit).....	<u>-</u>	<u>(6,300)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

**Government Land Bank Capital Projects Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Proceeds of general obligation bonds.....	6,300	13,880
Proceeds of refunding bonds.....	17,660	12,155
Total other financing sources.....	23,960	26,035
Total revenues and other financing sources.....	23,960	26,035
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Administration and finance.....	-	6,300
Total expenditures.....	-	6,300
Other financing uses:		
Payments to refunded bonds escrow.....	17,660	12,155
Total other financing uses.....	17,660	12,155
Total expenditures and other financing uses.....	17,660	18,455
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	6,300	7,580
Fund balance (deficit) at beginning of year.....	(6,300)	(13,880)
Fund balance (deficit) at end of year.....	\$ -	\$ (6,300)

**Intercity Bus Capital Assistance Capital Projects Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ -	\$ 3,531
Total liabilities.....	<u>-</u>	<u>3,531</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	-	(3,531)
Total fund balance (deficit).....	<u>-</u>	<u>(3,531)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

**Intercity Bus Capital Assistance Capital Projects Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	<u>-</u>	<u>-</u>
Other financing sources:		
Proceeds of general obligation bonds.....	3,531	-
Total other financing sources.....	<u>3,531</u>	<u>-</u>
Total revenues and other financing sources.....	<u>3,531</u>	<u>-</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Transportation and construction.....	<u>-</u>	<u>-</u>
Total expenditures.....	<u>-</u>	<u>-</u>
Other financing uses:		
Fringe benefit cost assessment.....	<u>-</u>	<u>-</u>
Total other financing uses.....	<u>-</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	3,531	-
Fund balance (deficit) at beginning of year.....	<u>(3,531)</u>	<u>(3,531)</u>
Fund balance (deficit) at end of year.....	<u>\$ -</u>	<u>\$ (3,531)</u>

**Local Capital Projects Fund**  
**Balance Sheet - Statutory Basis**

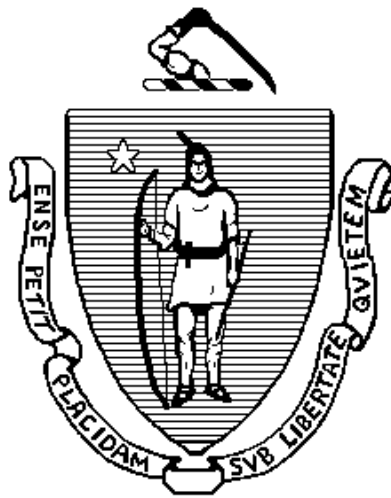
June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ 1,304
Total assets.....	<u>\$ -</u>	<u>\$ 1,304</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 8,075	\$ -
Accounts payable.....	3,041	5,081
Accrued payroll.....	<u>78</u>	<u>23</u>
Total liabilities.....	<u>11,194</u>	<u>5,104</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(11,194)</u>	<u>(3,800)</u>
Total fund balance (deficit) .....	<u>(11,194)</u>	<u>(3,800)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 1,304</u>

**Local Capital Projects Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Federal grants and reimbursements.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Proceeds of general obligation bonds.....	14,605	40,596
Proceeds of refunding bonds.....	295,405	52,555
Total other financing sources.....	310,010	93,151
Total revenues and other financing sources.....	310,010	93,151
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Judiciary.....	14	287
Treasurer and Receiver-General.....	9,887	9,113
Board of Library Commissioner.....	-	6,671
Administration and finance.....	2,773	4,875
Environmental affairs.....	8,498	11,081
Communities and development.....	98	1,500
Health and human services.....	53	151
Public safety.....	41	125
Total expenditures.....	21,364	33,803
Other financing uses:		
Payments to refunded bond escrow agent.....	295,405	52,555
Fringe benefit cost assessment.....	612	564
Operating transfers out.....	23	8
Total other financing uses.....	296,040	53,127
Total expenditures and other financing uses.....	317,404	86,930
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	(7,394)	6,221
Fund balance (deficit) at beginning of year.....	(3,800)	(10,021)
Fund balance (deficit) at end of year.....	\$ (11,194)	\$ (3,800)



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# *Fiduciary Fund Types*

The Fiduciary Funds are used to account for assets held by the Commonwealth in a trustee capacity or as an agent for individuals, private organizations or other governments. The funds include Expendable and Non – Expendable Trust Funds, Pension Funds, as well as Agency Funds.

## **EXPENDABLE TRUST FUNDS:**

*Expendable Trust Fund* – to account for various gifts, bequests or contributions held by the Commonwealth of which both principal and interest may be expended for purposes designated by the donor.

*Revolving Loan Fund* – to account for Federal grants, investment and interest income to be expended for loans to non-profit private entities to establish housing for individuals recovering from alcohol or drug abuse and for loans to local housing authorities.

*Teacher, Principal, Superintendent Quality Endowment Fund* – to account for funds to be paid to an incoming school employee signing bonus program to be administered by the Department of Education for the purpose of encouraging the best and brightest candidates to serve in public schools.

*Unemployment Compensation Fund* – to account for unemployment taxes collected from employers, held by the United States Treasury in the Federal Unemployment Trust Fund, from which funds are drawn for the payment of benefits to the unemployed.

## **NONEXPENDABLE TRUST FUNDS:**

*Nonexpendable Trust Fund* – to account for various gifts and bequests held by the Commonwealth, of which only the income may be expended for purposes specified by the donor.

## **PENSION TRUST FUNDS:**

*Pension Trust Funds* – to account for the assets, liabilities and fund balances held in trust by the State Employees', State Teachers' Retirement Systems and the State – Boston Retirement System for the payment of retirement, disability and death benefits to members of these retirement systems.

## **AGENCY FUNDS:**

*Agency Funds* – to account for cash, investments held or managed by the Commonwealth on behalf of others. These include the investments made by cities, towns and local authorities in the Municipal Depository Trust, employees' contributions to the deferred compensation plan, annuity contracts held for lottery prize winners, local option taxes collected but not yet remitted, assets held in escrow accounts by the Commonwealth's court system and human service departments, child support payments collected or receivable and not yet remitted to custodial parents, and deposits required from insurance companies and similar organizations.

**Fiduciary Fund Types**  
Combining Balance Sheet - Statutory Basis

June 30, 2002 and 2001  
(Amounts in thousands)

	Expendable Trust Funds	Nonexpendable Trust Funds	Pension Trust Funds
<b>ASSETS</b>			
Cash and short-term investments.....	\$ 301,437	\$ 5,834	\$ 871,422
Cash on deposit with U.S. Treasury.....	1,427,582	-	-
Investments.....	-	-	25,868,200
Assets held in trust.....	-	-	-
Due from federal government.....	-	-	-
Other receivables, net of allowance for uncollectibles.....	-	-	439,384
Other assets.....	-	-	12,982
Total assets.....	<u>\$ 1,729,019</u>	<u>\$ 5,834</u>	<u>\$ 27,191,988</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable.....	17,265	\$ -	\$ 814,434
Accrued payroll.....	801	-	-
Agency liabilities.....	4,987	-	-
Due to federal government.....	-	-	-
Due to cities and towns.....	-	-	-
Total liabilities.....	<u>23,053</u>	<u>-</u>	<u>814,434</u>
Fund balances:			
Reserved for:			
Employees' pension benefits.....	-	-	26,377,554
Unemployment benefits.....	1,427,582	-	-
Unreserved:			
Designated for specific purpose.....	<u>278,384</u>	<u>5,834</u>	<u>-</u>
Total fund balances.....	<u>1,705,966</u>	<u>5,834</u>	<u>26,377,554</u>
Total liabilities and fund balances.....	<u>\$ 1,729,019</u>	<u>\$ 5,834</u>	<u>\$ 27,191,988</u>

Agency Funds	Totals (Memorandum only)	
	2002	2001
\$ 292,598	\$ 1,471,291	\$ 1,457,913
-	1,427,582	2,171,193
-	25,868,200	29,279,535
2,372,583	2,372,583	2,244,064
-	-	60
-	439,384	355,745
-	12,982	21,456
<u>\$ 2,665,181</u>	<u>\$ 31,592,022</u>	<u>\$ 35,529,966</u>

\$ 51,957	\$ 883,656	\$ 2,082,639
-	801	352
2,578,682	2,583,669	2,450,748
6	6	-
<u>34,536</u>	<u>34,536</u>	<u>32,829</u>
<u>2,665,181</u>	<u>3,502,668</u>	<u>4,566,568</u>

-	26,377,554	28,508,921
-	1,427,582	2,171,253
-	284,218	283,224
-	28,089,354	30,963,398
<u>\$ 2,665,181</u>	<u>\$ 31,592,022</u>	<u>\$ 35,529,966</u>

**Expendable Trust Funds**  
Combining Balance Sheet - Statutory Basis

June 30, 2002 and 2001  
(Amounts in thousands)

			Totals (Memorandum only)	
	Expendable Trusts	Unemployment Compensation Trust	2002	2001
ASSETS				
Cash and short-term investments.....	\$ 301,437	\$ -	\$ 301,437	\$ 306,042
Cash on deposit with U.S. Treasury.....	-	1,427,582	1,427,582	2,171,193
Due from the federal government.....	-	-	-	60
Total assets.....	<u>\$ 301,437</u>	<u>\$ 1,427,582</u>	<u>\$ 1,729,019</u>	<u>\$ 2,477,295</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable.....	\$ 17,265	\$ -	\$ 17,265	\$ 23,375
Accrued payroll.....	801	-	801	352
Agency liabilities.....	<u>4,987</u>	<u>-</u>	<u>4,987</u>	<u>4,925</u>
Total liabilities.....	<u>23,053</u>	<u>-</u>	<u>23,053</u>	<u>28,652</u>
Fund balances:				
Reserved for:				
Unemployment benefits.....	-	1,427,582	1,427,582	2,171,253
Unreserved:				
Designated for specific purpose.....	<u>278,384</u>	<u>-</u>	<u>278,384</u>	<u>277,390</u>
Total fund balances.....	<u>278,384</u>	<u>1,427,582</u>	<u>1,705,966</u>	<u>2,448,643</u>
Total liabilities and fund balances.....	<u>\$ 301,437</u>	<u>\$ 1,427,582</u>	<u>\$ 1,729,019</u>	<u>\$ 2,477,295</u>

## Expendable Trust Funds

### Combining Statements Of Revenues, Expenses And Changes In Fund Balances - Statutory Basis

Fiscal Years Ended June 30, 2002 and 2001  
(Amounts in thousands)

(Amounts in thousands)			Totals	
	Expendable	Unemployment	(Memorandum only)	
	Trusts	Trust	2002	2001
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ -	\$ 862,033	\$ 862,033	\$ 894,161
Assessments.....	84	-	84	82
Federal grants and reimbursements.....	17,074	378,316	395,390	41,253
Departmental.....	6,945	25,183	32,128	19,250
Miscellaneous.....	188,002	112,333	300,335	332,645
Total revenues.....	212,105	1,377,865	1,589,970	1,287,391
Other financing sources:				
Operating transfers in.....	28,809	-	28,809	24,249
Other sources.....	931	-	931	400
Total other financing sources.....	29,740	-	29,740	24,649
Total revenues and other financing sources.....	241,845	1,377,865	1,619,710	1,312,040
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Judiciary.....	151	-	151	192
Secretary of the Commonwealth.....	14	-	14	74
Auditor of the Commonwealth.....	308	-	308	202
Attorney General.....	1,907	-	1,907	2,093
District Attorney.....	4,268	-	4,268	4,513
Sheriff's Departments.....	-	-	-	14
Administration and finance.....	8,210	-	8,210	6,066
Environmental affairs.....	10,635	-	10,635	14,538
Communities and development.....	22,586	-	22,586	23,822
Health and human services.....	22,959	-	22,959	26,461
Transportation and construction.....	546	-	546	519
Education.....	4,527	-	4,527	6,620
Higher education.....	8,974	-	8,974	2,109
Public safety.....	3,500	-	3,500	2,460
Economic development.....	865	-	865	312
Elder affairs.....	83	-	83	18
Consumer affairs.....	5,863	-	5,863	14,358
Labor.....	49,782	2,121,536	2,171,318	986,207
Total expenditures.....	145,178	2,121,536	2,266,714	1,090,578
Other financing uses:				
Fringe benefit cost assessment.....	4,106	-	4,106	4,121
Operating transfers out.....	91,567	-	91,567	87,572
Total other financing uses.....	95,673	-	95,673	91,693
Total expenditures and other financing uses.....	240,851	2,121,536	2,362,387	1,182,271
Excess and other financing sources over expenditures and other financing uses.....	994	(743,671)	(742,677)	129,769
Fund balances at beginning of year.....	277,390	2,171,253	2,448,643	2,318,874
Fund balances at end of year.....	\$ 278,384	\$ 1,427,582	\$ 1,705,966	\$ 2,448,643

**Expendable Trust Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 221,057	\$ 224,137
Total assets.....	<u>\$ 221,057</u>	<u>\$ 224,137</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable.....	\$ 17,105	\$ 22,049
Accrued payroll.....	801	341
Agency liabilities.....	<u>4,987</u>	<u>4,925</u>
Total liabilities.....	<u>22,893</u>	<u>27,315</u>
Fund balance:		
Unreserved.:		
Designated for specific purpose.....	<u>198,164</u>	<u>196,822</u>
Total fund balances (deficit).....	<u>198,164</u>	<u>196,822</u>
Total liabilities and fund balances.....	<u>\$ 221,057</u>	<u>\$ 224,137</u>

**Expendable Trust Fund**  
Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Assessments.....	\$ 84	\$ 82
Federal grants and reimbursements.....	17,074	20,738
Departmental.....	6,945	6,554
Miscellaneous.....	186,118	191,670
Total revenues.....	210,221	219,044
Other financing sources:		
Operating transfers in.....	28,809	24,249
Other sources.....	15	42
Total other financing sources.....	28,824	24,291
Total revenues and other financing sources.....	239,045	243,335
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Judiciary.....	151	192
Secretary of the Commonwealth.....	14	74
Auditor of the Commonwealth.....	308	202
Attorney General.....	1,907	2,093
District Attorney.....	4,268	4,513
Sheriff's Departments.....	-	14
Administration and finance.....	8,210	6,066
Environmental affairs.....	10,635	14,538
Communities and development.....	22,583	22,019
Health and human services.....	22,950	26,461
Transportation and construction.....	546	519
Education.....	1,479	1,906
Higher education.....	8,974	2,109
Public safety.....	3,500	2,460
Economic development.....	865	312
Elder affairs.....	83	18
Consumer affairs.....	5,863	14,358
Labor.....	49,782	42,536
Total expenditures.....	142,118	140,390
Other financing uses:		
Fringe benefit cost assessment.....	4,048	4,055
Operating transfers out.....	91,537	87,528
Total other financing uses.....	95,585	91,583
Total expenditures and other financing uses.....	237,703	231,973
Excess (deficiency) of revenues and other financing source: over expenditures and other financing uses.....	1,342	11,362
Fund balances (deficit) at beginning of year.....	196,822	185,460
Fund balances (deficit) at end of year.....	\$ 198,164	\$ 196,822

**Revolving Loan Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 8,716	\$ 7,764
Total assets.....	<u>\$ 8,716</u>	<u>\$ 7,764</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved:		
Designated for specific purpose.....	<u>8,716</u>	<u>7,764</u>
Total fund balances (deficit).....	<u>8,716</u>	<u>7,764</u>
Total liabilities and fund balances.....	<u>\$ 8,716</u>	<u>\$ 7,764</u>

**Revolving Loan Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Miscellaneous.....	\$ 48	\$ 117
Total revenues.....	48	117
Other financing sources:		
Other sources.....	916	358
Total other financing sources.....	916	358
Total revenues and other financing sources.....	964	475
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Communities and development.....	3	1,803
Health and human services.....	9	-
Total expenditures.....	12	1,803
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other financing uses.....	12	1,803
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	952	(1,328)
Fund balances (deficit) at beginning of year.....	7,764	9,092
Fund balances (deficit) at end of year.....	\$ 8,716	\$ 7,764

**Teacher, Principal, Superintendent Quality Endowment Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 71,664	\$ 74,141
Total assets.....	<u>\$ 71,664</u>	<u>\$ 74,141</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable.....	\$ 160	\$ 1,326
Accrued payroll.....	<u>-</u>	<u>11</u>
Total liabilities.....	<u>160</u>	<u>1,348</u>
Fund balance:		
Reserved for:		
Designated for specific purpose.....	<u>71,504</u>	<u>72,804</u>
Total fund balances (deficit).....	<u>71,504</u>	<u>72,804</u>
Total liabilities and fund balances.....	<u>\$ 71,664</u>	<u>\$ 74,141</u>

**Teacher, Principal, Superintendent Quality Endowment Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Miscellaneous.....	\$ 1,836	\$ 3,862
Total revenues.....	1,836	3,862
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	1,836	3,862
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Education.....	3,048	4,714
Total expenditures.....	3,048	4,714
Other financing uses:		
Fringe benefit cost assessment.....	58	66
Operating transfers out.....	30	44
Total other financing uses.....	88	110
Total expenditures and other financing uses.....	3,136	4,824
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(1,300)	(962)
Fund balances (deficit) at beginning of year.....	72,804	73,766
Fund balances (deficit) at end of year.....	\$ 71,504	\$ 72,804

**Unemployment Compensation Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash on deposit with U.S. Treasury.....	\$ 1,427,582	\$ 2,171,193
Due from federal government.....	<u>-</u>	<u>60</u>
Total assets.....	<u><u>\$ 1,427,582</u></u>	<u><u>\$ 2,171,253</u></u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable.....	<u>\$ -</u>	<u>\$ -</u>
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved for:		
Unemployment benefits.....	<u>1,427,582</u>	<u>2,171,253</u>
Total fund balances (deficit).....	<u>1,427,582</u>	<u>2,171,253</u>
Total liabilities and fund balances.....	<u><u>\$ 1,427,582</u></u>	<u><u>\$ 2,171,253</u></u>

**Unemployment Compensation Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	2002	2001
<b>REVENUES AND OTHER FINANCING SOURCES</b>		
Revenues:		
Taxes.....	\$ 862,033	\$ 894,161
Federal grants and reimbursements.....	378,316	20,515
Departmental.....	25,183	12,696
Miscellaneous.....	112,333	136,996
Total revenues.....	1,377,865	1,064,368
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	1,377,865	1,064,368
<b>EXPENDITURES AND OTHER FINANCING USES</b>		
Expenditures:		
Labor.....	2,121,536	943,671
Total expenditures.....	2,121,536	943,671
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other financing uses.....	2,121,536	943,671
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(743,671)	120,697
Fund balances (deficit) at beginning of year.....	2,171,253	2,050,556
Fund balances (deficit) at end of year.....	\$ 1,427,582	\$ 2,171,253

**Nonexpendable Trust Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 5,834	\$ 5,834
Total assets.....	<u>\$ 5,834</u>	<u>\$ 5,834</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balances:		
Designated for specific purpose.....	<u>5,834</u>	<u>5,834</u>
Total fund balances (deficit).....	<u>5,834</u>	<u>5,834</u>
Total liabilities and fund balances.....	<u>\$ 5,834</u>	<u>\$ 5,834</u>

**Nonexpendable Trust Fund**  
**Statement Of Revenues, Expenses And Changes In Fund Balances - Statutory Basis**

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>REVENUES</b>		
Revenues:		
Investment earnings.....	\$ -	\$ -
Total revenues.....	<u>-</u>	<u>-</u>
<b>EXPENSES</b>		
Expenses:		
Treasurer and Receiver-General.....	-	-
Total expenses.....	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenses.....	-	-
Fund balances (deficit) at beginning of year.....	<u>5,834</u>	<u>5,834</u>
Fund balances (deficit) at end of year.....	<u>\$ 5,834</u>	<u>\$ 5,834</u>

**Pension Trust Funds**  
Combining Statements of Net Assets Available for Pension Benefits - Statutory Basis

June 30, 2002 and 2001  
(Amounts in thousands)

(Amounts in thousands)				
			Totals	
			(Memorandum only)	
	State Employees' PERS	Teachers' PERS	2002	2001
ASSETS				
Cash and short-term investments.....	\$ 429,005	\$ 442,417	\$ 871,422	\$ 879,346
Investments at fair value.....	12,368,267	13,499,933	25,868,200	29,279,535
Other receivables, net of allowance for uncollectibles.....	181,223	258,161	439,384	355,745
Other assets.....	6,323	6,659	12,982	21,456
Total assets.....	\$ 12,984,818	\$ 14,207,170	\$ 27,191,988	\$ 30,536,082
LIABILITIES				
Accounts payable.....	\$ 397,044	\$ 417,390	\$ 814,434	\$ 2,027,161
Total liabilities.....	397,044	417,390	814,434	2,027,161
Net assets available for pension benefits (fund balances reserved for employees' pension benefits).....	\$ 12,587,774	\$ 13,789,780	\$ 26,377,554	\$ 28,508,921

## Pension Trust Funds

### Combined Statements of Changes in Net Assets Available for Pension Benefits - Statutory Basis

Fiscal Years Ended June 30, 2002 and 2001  
(Amounts in thousands)

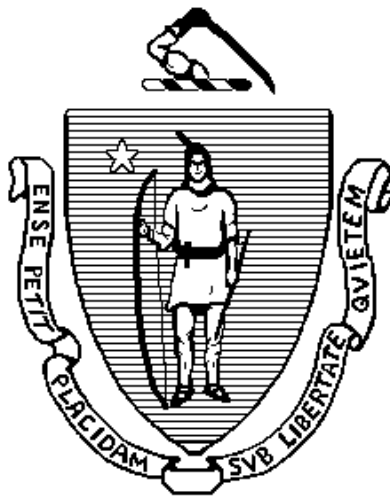
	State Employees' PERS	Teachers' PERS	Totals (Memorandum only)	
			2002	2001
Additions:				
Contribution:				
Commonwealth contributions.....	\$ 274,109	\$ 461,977	\$ 736,086	\$ 979,414
Employees contributions.....	352,144	503,576	855,720	703,241
Total contributions.....	626,253	965,553	1,591,806	1,682,655
Net investment (loss) income:				
Net appreciation (depreciation) in fair value of investments.....	(1,343,430)	(1,406,534)	(2,749,964)	(3,004,407)
Interest.....	234,997	246,036	481,033	561,571
Dividends.....	109,749	114,904	224,653	220,723
Real estate operating income, net.....	66,326	69,442	135,768	128,164
Alternative investments.....	3,465	3,627	7,092	5,482
Other.....	5,094	5,333	10,427	8,632
Total investment (loss) income.....	(923,799)	(967,192)	(1,890,991)	(2,079,835)
Less: investment expense .....	33,042	34,594	67,636	72,496
Net investment (loss) income .....	(956,841)	(1,001,786)	(1,958,627)	(2,152,331)
Total additions.....	(330,588)	(36,233)	(366,821)	(469,676)
Deductions:				
Administration reimbursement.....	5,498	7,787	13,285	12,601
Retirement benefits and refunds.....	872,206	879,055	1,751,261	1,550,706
Total deductions.....	877,704	886,842	1,764,546	1,563,307
Net increase (decrease).....	(1,208,292)	(923,075)	(2,131,367)	(2,032,983)
Net (decrease) assets available for pension benefits at beginning of year (fund balances reserved for employees' pension benefits).....	13,796,066	14,712,855	28,508,921	30,541,904
Net assets available for pension benefits at end of year (fund balances reserved for employees' pension benefits).....	\$ 12,587,774	\$ 13,789,780	\$ 26,377,554	\$ 28,508,921

**Agency Funds**  
**Statement Of Changes In Assets And Liabilities - Statutory Basis**

Fiscal Years Ended June 30, 2001 and 2002  
(Amounts in thousands)

	Balance June 30, 2001	Additions	Deductions	Balance June 30, 2002
<b>ASSETS</b>				
Cash and short-term investments.....	\$ 266,691	\$ 5,450,029	\$ 5,424,122	\$ 292,598
Assets held in trust.....	2,244,064	128,519	-	2,372,583
Total assets.....	<u>\$ 2,510,755</u>	<u>\$ 5,578,548</u>	<u>\$ 5,424,122</u>	<u>\$ 2,665,181</u>
<b>LIABILITIES</b>				
Accounts payable.....	\$ 32,103	\$ 1,995,591	\$ 1,975,737	\$ 51,957
Due to cities and towns.....	32,829	323,981	322,274	34,536
Due to federal government.....	-	68	62	6
Agency liabilities.....	2,445,823	3,189,014	3,056,155	2,578,682
Total liabilities.....	<u>\$ 2,510,755</u>	<u>\$ 5,508,654</u>	<u>\$ 5,354,228</u>	<u>\$ 2,665,181</u>

# *Supplemental Information*



Calculation of Transfers – Stabilization and Tax Reduction Funds

## Calculation Of Transfers: Stabilization Fund

June 30, 2002  
(Amounts in thousands)

This statement is prepared on the statutory basis of accounting pursuant to General Laws Chapter 29, Section 5c, as amended most recently by Chapter 300 of the Acts of 2002. It presents information contained in the official books and accounting records of the Commonwealth. Financial statements supporting this calculation are presented in the Financial Section of this report.

**Part 1:** Undesignated fund balance (deficit) in the Operating Funds:

	Balances before final transfers	Transfer from Capital Projects Ch. 118 s.24	Transfer from Stabilization Fund Ch. 300 s.60	Total
General Fund.....	\$ 1,454,632	\$ 51,369	\$ 180,000	\$ 1,686,001
Highway Fund.....	(466,885)	-	-	(466,885)
Local Aid Fund.....	(1,147,409)	-	-	(1,147,409)
Consolidated Undesignated fund balance / (deficit).....	\$ (159,662)	\$ 51,369	\$ 180,000	\$ 71,707
Available to carry forward to subsequent fiscal year (per Schedule A).....				\$ 71,707
Net Consolidated net surplus / (deficit).....				-

**Part 2:** Calculation of transfers to the One-Time Capital Projects Improvement Fund:

Transfer from General Fund to the One-Time Capital Projects Improvement Fund (5%).....	-
Transfer from General Fund to the Open Space Acquisition Fund (15%).....	-
Consolidated net surplus after transfers.....	\$ -

**Part 3:** Calculation of transfers to Capital Projects Fund:

Transfer from General Fund to Capital Project Fund - (per Schedule B) .....	-
Net Consolidated surplus available for Stabilization Fund.....	\$ -

**Part 4:** Calculation of transfers to Stabilization Fund:

From the General Fund, @ 60%.....	\$ -
From the Local Aid Fund, @ 40%.....	-
Total Transfers.....	\$ -

**Part 5:** Status of Consolidated Net Surplus after Stabilization Fund transfers:

Undesignated fund balance / (deficit):	
General Fund.....	\$ 1,686,001
Highway Fund.....	(466,885)
Local Aid Fund .....	(1,147,409)
Consolidated Net Surplus.....	\$ 71,707

**Part 6:** Status of Stabilization Fund after transfers:

Reserved for Stabilization - Balance as of June 30, 2002 before the transfers .....	\$ 881,771
Plus: FY2002 Calculated Transfers to Stabilization Fund (per Part 5) .....	-
Reserved for Stabilization after the transfers.....	\$ 881,771

**Part 7:** Amounts reserved for Capital Projects:

Reserved for Capital Projects - Balance as of June 30, 2002 after the transfer (Part 3).....	\$ 39,674
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## Calculation Of Transfers: Tax Reduction Fund

June 30, 2002  
(Amounts in thousands)

This statement is prepared pursuant to Chapters 29 of the Massachusetts General Laws, as amended. It is prepared on the statutory basis of accounting and presents information contained in the official books and accounting records of the Commonwealth. Supporting information is presented in individual schedules, as indicated, and in the Financial Section of this report.

The computation is as follows:

Part 1: Comparison of Stabilization Fund, after current fiscal year transfers,  
to 10% of Budgeted Revenues and Other Financial Resources:

Undesignated Fund Balance in the Stabilization Fund.....	\$ 881,771
Allowable Stabilization Balance (per Schedule C).....	<u>2,117,492</u>
Stabilization Fund Excess, if any, transferable to Tax Reduction Fund.....	<u>\$ -</u>

Part 2: Status of Stabilization Fund after transfers:

Stabilization Fund Balance.....	\$ 881,771
Transfer to Tax Reduction Fund.....	<u>-</u>
Stabilization Fund Balance after transfer to Tax Reduction Fund.....	<u>\$ 881,771</u>

Part 3: Status of Tax Reduction Fund after transfers:

Tax Reduction Fund Balance.....	\$ -
Transfers from Stabilization Fund.....	<u>-</u>
Tax Reduction Fund Balance after transfers.....	<u>\$ -</u>

**Schedule A**  
**FY2002 Tax Revenues By Revenue Class and**  
**Calculation of Allowable Net Surplus**

June 30, 2002  
(Amounts in thousands)

Alcoholic Beverages.....	\$ 65,356
Banks: Commercial and Savings.....	137,028
Cigarette.....	274,997
Corporations.....	586,743
Deeds.....	140,031
Estate and Inheritance.....	200,547
Income.....	7,912,934
Insurance.....	347,645
Motor and Special Fuels.....	666,751
Public Utilities.....	88,486
Room Occupancy.....	123,306
Sales and Use.....	3,695,874
Club Alcoholic Beverages.....	571
Motor Vehicle Excise.....	86
Convention Center Surcharges.....	10,502
Community Preservation.....	42,451
State Racing.....	6,856
Beano .....	5,065
Raffles and Bazaars.....	846
DOI Excess and Surplus Lines.....	13,031
Boxing.....	28
UI Surcharge.....	22,198
	<hr/>
FY 2002 State Tax Revenue.....	14,341,331
0.5% of Total Tax Revenue.....	71,707
Allowable Consolidated Net Surplus .....	<hr/> <u>\$ 71,707</u> <hr/>

This schedule is prepared on the statutory basis of accounting. It presents tax revenues as reported in the governmental funds of the Commonwealth. It differs from the schedule of tax collections prepared by the Comptroller, Commissioner of Revenue and State Auditor for calculations in accordance with Chapter 62F, of the General Laws as amended.

**Schedule B**  
**Calculation of Capital Project Fund Transfer**

June 30, 2002  
(Amounts in thousands)

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**Maximum Allowable Transfer Amount:**

A: Consolidated Net Surplus available for transfer.....	\$	-
	X	20%
B: Maximum based on 20% of Consolidated Net Surplus.....	\$	-
C: Fund Deficits - Capital Project Funds.....	\$	994,987
Lower of the 40% of the Consolidated Net Surplus or sum of fund deficits in the Capital Project Funds at year end.....	\$	-
Amount Transferred by the Comptroller.....	\$	-

## Schedule C

### Calculation of Cap on Stabilization Fund

June 30, 2002  
(Amounts in thousands)

Total Budgeted Revenues and Other Financial Resources pertaining to the Budgeted funds.....	\$ 23,049,348
Elimination of budgetary interfund activity (per Schedule D).....	<u>(1,874,431)</u>
Budgeted Revenues and Other Financial Resources pertaining to the Budgeted funds.....	<u>\$ 21,174,917</u>
Allowable Stabilization Fund - Balance, 10% of Budgeted Revenue.....	<u>\$ 2,117,492</u>

Calculation of Stabilization Fund Transfers as defined by Mass General Laws Chapter 29 section 5c as most recently amended by Chapter 300 of the Acts of 2002.

## Schedule D

### Detail of Elimination of Budgetary Inter Fund Activity

June 30, 2002  
(Amounts in thousands)

Adjustments to Revenues:

Transfers to Intragovernmental Services Fund.....	\$	(115,226)
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Adjustments to Other Financing Sources and Uses:

Transfer from Transitional Escrow Fund.....	(579,215)
Fringe Assessed to Budgeted Funds.....	(53,267)
Stabilization Transfers .....	(1,030,000)
Transfer from Revenue Maximization Fund to General Fund.....	(6,602)
Transfer from General Fund to Children's and Seniors' Health Fund.....	(36,952)
Transfer from Voting Equipment Loan Fund to General Fund.....	(1,397)
Transfer from Intragovernmental Services Fund to General Fund.....	(1,112)
License Plates.....	(1,735)
MWRA Debt Service Reimbursement.....	(10,342)
Transfer from General Fund and Transitional Aid for Needy Families Fund to Caseload Increase Mitigation Fund.....	(4,878)
Transfer from Tax Reduction Fund to General Fund .....	(33,605)
Miscellaneous .....	(100)

Elimination of Budgetary Interfund Activity	\$	(1,874,431)
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# *Statistical Section*



Ten-Year Schedules – Statutory Basis  
Higher Education Non-appropriated Funds – Statutory Basis

**Ten-Year Schedule Of Revenues And Other Financing Sources**  
All Governmental Fund Types - Statutory Basis

June 30, 2002  
(Amounts in millions)

	2002	% Total	2001	% Total	2000	% Total	1999
Taxes.....	\$ 14,341	39.6	\$ 16,753	43.5	\$ 15,702	41.0	\$ 14,304
Federal reimbursements.....	5,237	14.5	4,668	12.1	4,364	11.4	4,230
Federal grants.....	1,595	4.4	1,450	3.8	1,360	3.6	1,236
Lotteries.....	4,425	12.2	4,138	10.7	3,913	10.2	3,572
Assessments.....	582	1.6	585	1.5	487	1.3	534
Motor vehicle licenses and registrations.....	326	0.9	311	0.8	285	0.7	281
Fees, investment earnings, etc.....	2,122	5.9	2,212	5.7	2,014	5.3	2,638
Proceeds of general and special obligation bonds.....	1,358	3.7	1,912	5.0	1,762	4.6	1,334
Proceeds of refunding bonds.....	1,501	4.1	999	2.6	-	0.0	499
Other interfund transfers.....	4,749	13.1	5,487	14.3	8,403	21.9	5,317
Other financing sources.....	-	-	-	-	-	-	-
Total revenues and other financing sources.....	<u>\$ 36,236</u>	<u>100.0</u>	<u>\$ 38,515</u>	<u>100.0</u>	<u>\$ 38,290</u>	<u>100.0</u>	<u>\$ 33,945</u>

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% Total	1998	% Total	1997	% Total	1996	% Total	1995	% Total	1994	% Total	1993	% Total
42.1	\$ 14,038	43.7	\$ 12,874	46.8	\$ 12,058	46.8	\$ 11,172	45.4	\$ 10,615	45.5	\$ 9,935	44.3
12.5	4,409	13.7	4,084	14.9	3,957	15.4	3,955	16.1	3,882	16.6	3,430	15.3
3.6	1,220	3.8	1,185	4.3	1,188	4.6	1,195	4.9	1,184	5.1	1,132	5.0
10.5	3,430	10.7	3,377	12.3	3,195	12.4	2,957	12.0	2,600	11.1	2,148	9.6
1.6	517	1.6	557	2.0	557	2.2	566	2.3	546	2.3	614	2.7
0.8	295	0.9	295	1.1	263	1.0	307	1.2	284	1.2	332	1.5
7.8	1,647	5.1	1,085	3.9	1,291	5.0	1,388	5.6	1,214	5.2	1,270	5.7
3.9	1,447	4.5	899	3.3	1,087	4.2	810	3.3	690	3.0	368	1.6
1.5	862	2.7	723	2.6	-	0.0	514	2.1	836	3.6	1,891	8.4
15.7	4,240	13.2	2,416	8.8	2,150	8.4	1,708	6.9	1,465	6.3	1,282	5.7
-	-	-	-	-	-	-	49	0.2	35	0.1	42	0.2
100.0	\$ 32,105	100.0	\$ 27,495	100.0	\$ 25,746	100.0	\$ 24,621	100.0	\$ 23,351	100.0	\$ 22,444	100.0

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**Ten-Year Schedule Of Tax Revenues By Source**  
All Governmental Fund Types - Statutory Basis

June 30, 2002  
(Amounts in millions)

	2002	% Total	2001	% Total	2000	% Total	1999	% Total
Income.....	\$ 7,913	55.2	\$ 9,903	59.1	\$ 9,042	57.6	\$ 8,037	56.2
Sales and use.....	3,696	25.8	3,756	22.4	3,565	22.7	3,270	22.9
Corporations.....	587	4.2	945	5.7	1,131	7.2	1,009	7.1
Motor fuels.....	667	4.7	660	3.9	653	4.2	637	4.5
Cigarette.....	275	1.9	271	1.6	280	1.8	284	2.0
Insurance.....	348	2.4	323	1.9	306	1.9	317	2.2
Estate and inheritance.....	200	1.4	203	1.2	167	1.1	174	1.2
Banks.....	137	1.0	180	1.1	93	0.6	109	0.8
Alcoholic beverages.....	66	0.5	65	0.4	64	0.4	61	0.4
Other.....	452	3.2	447	2.7	401	2.6	406	2.8
Total taxes.....	<u>\$ 14,341</u>	<u>100.0</u>	<u>\$ 16,753</u>	<u>100.0</u>	<u>\$ 15,702</u>	<u>100.0</u>	<u>\$ 14,304</u>	<u>100.0</u>

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1998	% Total	1997	% Total	1996	% Total	1995	% Total	1994	% Total	1993	% Total
\$ 8,032	57.2	\$ 7,182	55.8	\$ 6,707	55.6	\$ 5,974	53.5	\$ 5,690	53.6	\$ 5,375	54.1
2,963	21.1	2,876	22.3	2,610	21.6	2,481	22.2	2,302	21.7	2,124	21.4
1,067	7.6	964	7.5	876	7.3	911	8.2	782	7.4	737	7.4
621	4.4	603	4.7	599	5.0	578	5.2	563	5.3	557	5.6
301	2.1	282	2.2	233	1.9	234	2.1	237	2.2	190	1.9
303	2.2	289	2.2	285	2.4	284	2.5	282	2.7	281	2.8
191	1.4	203	1.6	188	1.6	209	1.9	277	2.6	267	2.7
156	1.1	140	1.1	219	1.8	206	1.8	200	1.9	153	1.5
61	0.4	60	0.5	60	0.5	61	0.5	61	0.6	62	0.6
343	2.4	275	2.1	281	2.3	234	2.1	221	2.0	189	2.0
<u>\$ 14,038</u>	<u>100.0</u>	<u>\$ 12,874</u>	<u>100.0</u>	<u>\$ 12,058</u>	<u>100.0</u>	<u>\$ 11,172</u>	<u>100.0</u>	<u>\$ 10,615</u>	<u>100.0</u>	<u>\$ 9,935</u>	<u>100.0</u>

**Ten-Year Schedule Of Expenditures And Other Financing Uses By Secretariat**  
All Governmental Fund Types - Statutory Basis

June 30, 2002  
(Amounts in millions)

	2002	% Total	2001	% Total	2000	% Total	1999
Legislature.....	\$ 59	0.2	\$ 58	0.2	\$ 53	0.2	\$ 51
Judiciary.....	589	1.5	604	1.6	570	1.5	532
Inspector General.....	2	-	3	-	3	-	3
Governor and Lieutenant Governor.....	6	-	6	-	6	-	5
Secretary of the Commonwealth.....	41	0.1	50	0.1	50	0.1	48
Treasurer and Receiver-General.....	4,398	11.4	4,155	11.3	3,841	10.0	3,982
Auditor of the Commonwealth.....	16	-	16	-	15	-	14
Attorney General.....	47	0.1	43	0.1	37	0.1	35
Ethics Commission.....	2	-	2	-	1	-	1
District Attorney.....	88	0.2	85	0.2	78	0.2	74
Office of Campaign and Political Finance.....	2	-	2	-	1	-	1
Sheriff's Departments.....	217	0.6	203	0.6	176	0.5	132
Disabled Persons Protection Commission.....	2	-	2	-	2	0.0	2
Board of Library Commissioners.....	58	0.2	57	0.2	61	0.2	51
Comptroller.....	11	-	11	-	9	-	9
Administration and finance.....	6,315	16.4	5,937	16.1	5,616	14.6	1,522
Environmental affairs.....	440	1.1	426	1.2	395	1.0	375
Communities and development.....	533	1.4	527	1.4	497	1.3	448
Health and human services.....	11,124	28.9	10,058	27.3	9,394	24.3	8,785
Transportation and construction.....	2,052	5.3	2,212	6.0	3,402	8.8	3,010
Education.....	1,563	4.1	1,422	3.9	1,287	3.3	3,706
Educational affairs.....	-	-	-	-	-	-	-
Higher education.....	1,085	2.8	1,142	3.1	1,032	2.7	964
Public safety.....	1,138	3.0	1,104	3.0	1,009	2.6	1,020
Economic development.....	36	0.1	53	0.1	43	0.1	60
Elder affairs.....	304	0.8	241	0.7	217	0.6	197
Consumer affairs.....	58	0.2	59	0.2	55	0.1	52
Labor.....	237	0.6	195	0.5	211	0.5	193
Pension.....	796	2.1	1,040	2.8	986	2.6	990
Debt service.....	1,382	3.6	739	2.0	1,237	3.2	1,212
Payments to refunded bond escrow agent.....	1,277	3.3	1,649	4.5	-	-	499
Fund deficit support.....	-	-	-	-	2,980	7.7	-
Other interfund transfers.....	4,626	12.0	4,761	12.9	5,319	13.8	5,149
Total expenditures and other financing uses.....	<u>\$ 38,504</u>	<u>100.0</u>	<u>\$ 36,862</u>	<u>100.0</u>	<u>\$ 38,583</u>	<u>100.0</u>	<u>\$ 33,124</u>

% Total	1998	% Total	1997	% Total	1996	% Total	1995	% Total	1994	% Total	1993	% Total
0.2	\$ 51	0.2	\$ 52	0.2	\$ 49	0.2	\$ 48	0.2	\$ 43	0.2	\$ 41	0.2
1.6	476	1.5	438	1.6	405	1.6	356	1.5	342	1.5	309	1.4
-	2	-	2	-	2	-	2	-	1	-	1	-
-	5	-	5	-	5	-	5	-	4	-	4	-
0.1	29	0.1	18	0.1	17	0.1	17	0.1	12	0.1	14	0.1
12.0	3,780	12.1	3,694	13.6	3,518	14.0	3,245	13.2	2,940	12.6	2,485	11.0
-	15	0.1	13	0.1	12	-	12	-	11	-	10	-
0.1	35	0.1	28	0.1	26	0.1	24	0.1	24	0.1	22	0.1
-	1	-	1	-	1	-	1	-	1	-	1	-
0.2	69	0.2	61	0.2	56	0.2	56	0.2	47	0.2	44	0.2
-	1	-	1	-	1	-	1	-	1	-	1	-
0.4	41	0.1	-	-	-	-	-	-	-	-	-	-
-	2	-	1	-	1	-	1	-	1	-	-	-
0.2	45	0.1	42	0.2	35	0.2	30	0.1	26	0.1	35	0.2
-	10	-	8	-	9	-	11	-	11	-	8	-
4.6	1,487	4.8	1,328	4.9	1,173	4.7	1,165	4.8	1,118	4.8	1,056	4.7
1.1	367	1.2	309	1.1	327	1.3	296	1.2	285	1.2	283	1.2
1.4	437	1.4	419	1.5	418	1.7	399	1.6	396	1.7	398	1.8
26.5	8,478	27.2	7,730	28.4	7,743	30.9	7,892	32.2	7,611	32.6	7,274	32.2
9.1	2,835	9.1	2,507	9.2	2,274	9.1	2,205	9.0	2,134	9.1	1,816	8.0
11.2	3,314	10.6	2,963	10.9	2,656	10.6	2,403	9.8	2,167	9.3	2,032	9.0
-	-	-	-	-	14	0.1	7	-	3	-	10	-
2.9	893	2.9	818	3.0	764	3.0	727	3.0	692	3.0	565	2.5
3.1	966	3.1	979	3.6	956	3.8	851	3.5	782	3.3	716	3.2
0.2	38	0.1	42	0.2	113	0.5	206	0.8	213	0.9	214	0.9
0.6	188	0.6	167	0.6	162	0.6	162	0.7	156	0.7	149	0.7
0.2	40	0.1	37	0.1	35	0.2	34	0.1	33	0.1	30	0.1
0.6	214	0.7	193	0.7	118	0.5	25	0.1	24	0.1	24	0.1
3.0	1,070	3.4	1,069	3.9	1,005	4.0	969	4.0	909	3.9	868	3.8
3.7	1,215	3.9	1,278	4.7	1,192	4.8	1,234	5.0	1,151	4.9	1,143	5.0
1.5	862	2.8	723	2.7	-	-	514	2.1	836	3.6	1,891	8.3
-	-	-	-	-	-	-	-	-	-	-	-	-
15.6	4,199	13.5	2,284	8.4	1,970	7.9	1,626	6.7	1,395	6.0	1,208	5.3
100.0	\$ 31,163	100.0	\$ 27,210	100.0	\$ 25,057	100.0	\$ 24,524	100.0	\$ 23,369	100.0	\$ 22,652	100.0

**Ten-Year Schedule Of Budgeted Funds Expenditures and Other Uses By  
Major Program Category**  
June 30, 2002  
(Amounts in millions)

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Direct local aid.....	\$ 5,189	\$ 4,969	\$ 4,674	\$ 4,310	\$ 3,949	\$ 3,558	\$ 3,246	\$ 2,976	\$ 2,727	\$ 2,547
Medicaid.....	5,259	4,642	4,270	3,856	3,666	3,456	3,416	3,398	3,313	3,151
Public assistance.....	1,030	991	959	988	1,023	1,090	1,089	1,095	1,100	1,075
Higher education.....	1,030	1,102	996	930	862	806	744	703	673	545
MBTA and regional transit authorities.....	49	69	592	538	530	520	518	516	522	499
Pension.....	796	1,040	986	990	1,070	1,069	1,005	969	909	868
Group health insurance.....	717	641	589	566	550	522	519	510	496	491
Debt service.....	1,305	676	1,193	1,174	1,213	1,276	1,184	1,231	1,149	1,140
Major programs.....	15,375	14,130	14,259	13,352	12,863	12,297	11,721	11,398	10,889	10,316
Other program expenditures.....	7,254	7,060	7,251	6,411	5,900	5,502	5,357	5,043	4,822	4,627
Interfund transfers and other uses.....	2,046	1,882	4,538	1,884	1,844	1,201	847	352	241	250
Budgeted expenditures and other uses.....	\$ 24,675	\$ 23,072	\$ 26,048	\$ 21,647	\$ 20,607	\$ 19,000	\$ 17,925	\$ 16,793	\$ 15,952	\$ 15,193

## Ten-Year Schedule Of Long-Term Bonds And Notes Outstanding

Fiscal Year Ended June 30, 2002  
(Amounts in millions)

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
General obligation bonds.....	\$ 12,618	\$ 11,961	\$ 10,897	\$ 10,301	\$ 9,873	\$ 9,620	\$ 9,148	\$ 8,615	\$ 8,184	\$ 8,082
Grant anticipation notes.....	1,499	1,499	922	922	600	-	-	-	-	-
Dedicated income tax bonds.....	-	-	-	-	-	130	383	619	840	1,045
Special obligation bonds.....	838	539	564	586	606	521	535	395	404	104
Commonwealth long-term bonds.....	\$ 14,955	\$ 13,999	\$ 12,383	\$ 11,809	\$ 11,079	\$ 10,271	\$ 10,066	\$ 9,629	\$ 9,428	\$ 9,231



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# ***HIGHER EDUCATION NON- APPROPRIATED ACTIVITY***

The Commonwealth's Public Institutions of Higher Education are allowed, by their enabling statutes, to collect, retain, and expend certain fees, rents, donations and other types of revenue. These financial resources are important elements to the overall financial operations of the respective institutions, and are in addition to amounts made available from appropriations. The Public Institutions of Higher Education include:

***University of Massachusetts System*** – The University system includes the campuses at Amherst, Worcester, Boston, Lowell, Dartmouth and certain institutes and programs operated by the Office of the University President.

***State College System*** – The State College System includes the nine state colleges, which provide four-year post-secondary education programs. These colleges include:

Bridgewater State College  
Framingham State College  
Fitchburg State College  
Massachusetts College of Art  
Massachusetts Maritime Academy  
Massachusetts College of Liberal Arts  
Salem State College  
Worcester State College  
Westfield State College

***Community College System*** - The Community College System includes the fifteen community colleges, which provide two-year post secondary education programs.

Berkshire Community College  
Bunker Hill Community College  
Bristol Community College  
Cape Cod Community College  
Greenfield Community College  
Holyoke Community College  
Massasoit Community College  
Massachusetts Bay Community College  
Middlesex Community College  
Mount Wachusett Community College  
Northern Essex Community College  
North Shore Community College  
Quinsigamond Community College  
Roxbury Community College  
Springfield Technical Community College

**Higher Education System**  
Combining Higher Education Non-Appropriated Activity - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	University of Massachusetts	State Colleges	Community Colleges	TOTALS	
				2002	2001
<b>Revenues and other financing sources</b>					
Federal grants and reimbursements.....	\$ 210,029	\$ 16,149	\$ 47,439	\$ 273,617	\$ 235,733
Departmental revenues.....	519,777	173,418	161,681	854,876	787,363
Miscellaneous revenues.....	336,196	67,947	78,005	482,148	514,943
Total revenues and other financing sources.....	1,066,002	257,514	287,125	1,610,641	1,538,039
<b>Expenditures and other financing uses</b> (by MMARS subsidiary):					
AA Regular employee compensation.....	289,037	27,412	39,414	355,863	314,638
BB Regular employee related expenses.....	1,313	2,525	2,663	6,501	21,664
CC Special employees and contracted services.....	109,524	46,329	58,806	214,659	197,674
DD Pension and insurance.....	65,006	6,917	6,979	78,902	87,865
EE Administrative expenditures.....	73,119	28,041	36,957	138,117	129,246
FF Facility operational supplies.....	100,304	8,414	16,463	125,181	114,671
GG Energy costs and space rental.....	52,486	9,989	6,985	69,460	41,731
HH Consultant services.....	118,602	8,456	11,803	138,861	118,502
JJ Operational services.....	29,907	18,999	8,714	57,620	55,769
KK Equipment purchase.....	37,961	6,795	5,964	50,720	57,745
LL Equipment leases, maintenance and repair.....	18,840	8,121	7,848	34,809	33,705
MM Purchased client services and programs.....	8,550	1,247	2,157	11,954	12,909
NN Construction and improvements.....	39,995	9,164	3,731	52,890	43,302
PP Aid to local governments.....	-	-	154	154	211
RR Benefit programs.....	88,869	23,270	59,029	171,168	146,538
SS Debt payment.....	-	3,652	828	4,480	4,301
TT Loans and special payments.....	34,456	34,545	4,720	73,721	55,330
Total expenditures and other uses.....	1,067,969	243,876	273,215	1,585,060	1,435,801
Excess (deficiency) of revenues and other financing sources over expenditures and other uses.....	(1,967)	13,638	13,910	25,581	102,238
Fund balance (deficit) at beginning of year.....	643,408	79,478	66,834	789,720	687,482
Fund balance (deficit) at end of year.....	\$ 641,441	\$ 93,116	\$ 80,744	\$ 815,301	\$ 789,720

**University Of Massachusetts**  
Higher Education Non-Appropriated Activity - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	<u>2002</u>	<u>2001</u>
<b>Revenues and other financing sources</b>		
Federal grants and reimbursements.....	\$ 210,029	\$ 177,149
Departmental revenues.....	519,777	501,909
Miscellaneous revenues.....	<u>336,196</u>	<u>370,713</u>
Total revenues and other financing sources.....	<u>1,066,002</u>	<u>1,049,771</u>
<b>Expenditures and other financing uses</b> (by MMARS subsidiary):		
AA Regular employee compensation.....	289,037	255,045
BB Regular employee related expenses.....	1,313	14,275
CC Special employees and contracted services.....	109,524	105,603
DD Pension and insurance.....	65,006	73,888
EE Administrative expenditures.....	73,119	71,996
FF Facility operational supplies.....	100,304	91,350
GG Energy costs and space rental.....	52,486	30,622
HH Consultant services.....	118,602	99,550
JJ Operational services.....	29,907	27,550
KK Equipment purchase.....	37,961	39,214
LL Equipment leases, maintenance and repair.....	18,840	20,866
MM Purchased client services and programs.....	8,550	9,648
NN Construction and improvements.....	39,995	25,502
PP Aid to local governments.....	-	4
RR Benefit programs.....	88,869	70,440
TT Loans and special payments.....	<u>34,456</u>	<u>25,414</u>
Total expenditures and other financing uses.....	<u>1,067,969</u>	<u>960,967</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(1,967)	88,804
Fund balance (deficit) at beginning of year.....	<u>643,408</u>	<u>554,604</u>
Fund balance (deficit) at end of year.....	<u><u>\$ 641,441</u></u>	<u><u>\$ 643,408</u></u>

**State College System**  
Combining Higher Education Non-Appropriated Activity - Statutory Basis

Fiscal Year Ended June 30, 2002  
(Amounts in thousands)

	Bridgewater State College	Framingham State College	Fitchburg State College	Massachusetts College of Art
<b>Revenues and other financing sources</b>				
Federal grants and reimbursements.....	\$ 2,977	\$ 1,318	\$ 2,377	\$ 979
Departmental revenues.....	26,328	15,215	16,270	10,530
Miscellaneous revenues.....	13,584	15,381	6,238	639
Total revenues and other financing sources.....	<u>42,889</u>	<u>31,914</u>	<u>24,885</u>	<u>12,148</u>
<b>Expenditures and other financing uses</b> (by MMARS subsidiary):				
AA Regular employee compensation.....	6,522	2,182	4,051	1,144
BB Regular employee related expenses.....	452	206	362	266
CC Special employees and contracted services.....	6,567	4,351	3,073	1,994
DD Pension and insurance.....	1,412	949	843	448
EE Administrative expenditures.....	4,712	10,376	2,236	1,076
FF Facility operational supplies.....	1,618	730	820	855
GG Energy costs and space rental.....	2,107	1,290	1,266	1,673
HH Consultant services.....	1,309	799	1,802	722
JJ Operational services.....	4,328	3,456	1,147	1,267
KK Equipment purchase.....	1,294	879	542	659
LL Equipment leases, maintenance and repair.....	1,597	459	789	530
MM Purchased client services and programs.....	289	238	223	-
NN Construction and improvements.....	2,885	790	1,383	-
RR Benefit programs.....	6,395	1,380	1,821	1,142
SS Debt payment.....	-	176	-	103
TT Loans and special payments.....	4,498	2,516	3,163	127
Total expenditures and other financing uses.....	<u>45,985</u>	<u>30,777</u>	<u>23,521</u>	<u>12,006</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(3,096)	1,137	1,364	142
Fund balance (deficit) at beginning of year.....	13,430	20,757	14,992	2,922
Fund balance (deficit) at end of year.....	<u>\$ 10,334</u>	<u>\$ 21,894</u>	<u>\$ 16,356</u>	<u>\$ 3,064</u>

Massachusetts Maritime Academy	Massachusetts College of Liberal Arts	Salem State College	Worcester State College	Westfield State College	TOTALS	
					2002	2001
\$ 520	\$ 1,473	\$ 3,765	\$ -	\$ 2,740	\$ 16,149	\$ 18,920
6,781	7,592	43,507	15,644	31,551	173,418	142,011
3,701	4,780	15,421	4,823	3,380	67,947	73,663
11,002	13,845	62,693	20,467	37,671	257,514	234,594
515	1,168	8,046	1,499	2,285	27,412	23,408
224	190	160	439	226	2,525	3,859
1,224	1,405	17,839	6,018	3,858	46,329	31,045
99	186	1,703	419	858	6,917	6,371
1,539	1,313	2,586	2,492	1,711	28,041	27,293
1,071	360	1,028	1,046	886	8,414	7,674
399	747	874	374	1,259	9,989	7,329
457	560	1,468	874	465	8,456	8,742
2,853	2,513	1,619	707	1,109	18,999	18,789
953	268	1,166	514	520	6,795	9,633
257	700	2,524	518	747	8,121	7,363
-	-	385	-	112	1,247	1,400
-	-	917	1,414	1,775	9,164	14,187
531	2,507	5,375	1,695	2,424	23,270	24,275
-	-	-	1,029	2,344	3,652	3,793
936	1,094	7,087	-	15,124	34,545	28,942
11,058	13,011	52,777	19,038	35,703	243,876	224,103
(56)	834	9,916	1,429	1,968	13,638	10,491
1,641	1,801	10,763	7,626	5,546	79,478	68,987
\$ 1,585	\$ 2,635	\$ 20,679	\$ 9,055	\$ 7,514	\$ 93,116	\$ 79,478

**Community College System**  
Combining Higher Education Non-Appropriated Activity - Statutory Basis

Fiscal Year Ended June 30, 2002

(Amounts in thousands)

	Berkshire Community College	Bunker Hill Community College	Bristol Community College	Cape Cod Community College	Greenfield Community College	Holyoke Community College	Massasoit Community College
<b>Revenues and other financing sources</b>							
Federal grants and reimbursements.....	\$ 1,918	\$ 4,534	\$ 5,626	\$ 2,129	\$ 1,911	\$ 4,155	\$ 3,616
Departmental revenues.....	4,553	13,778	9,397	5,026	6,013	9,903	10,608
Miscellaneous revenues.....	1,660	5,451	6,733	7,070	5,517	5,741	5,793
Total revenues and other financing sources.....	8,131	23,763	21,756	14,225	13,441	19,799	20,017
<b>Expenditures and other financing uses</b> (by MMARS subsidiary):							
AA Regular employee compensation.....	1,794	6,246	3,408	2,198	3,373	1,365	1,371
BB Regular employee related expenses.....	101	208	180	138	141	243	115
CC Special employees and contracted services.....	1,422	4,311	4,630	3,683	3,464	4,087	5,210
DD Pension and insurance.....	718	313	865	594	350	365	300
EE Administrative expenditures.....	1,055	1,470	1,103	892	595	2,240	1,753
FF Facility operational supplies.....	1,272	644	551	323	826	2,275	1,308
GG Energy costs and space rental.....	379	218	377	168	298	699	236
HH Consultant services.....	557	750	868	1,018	165	257	327
JJ Operational services.....	651	1,977	832	129	275	578	395
KK Equipment purchase.....	454	392	593	561	378	519	920
LL Equipment leases, maintenance and repair.....	187	470	318	536	184	290	747
MM Purchased client services and programs.....	45	230	319	-	12	33	20
NN Construction and improvements.....	154	122	278	33	37	634	251
PP Aid to local governments.....	-	-	-	-	-	-	-
RR Benefit programs.....	1,246	4,776	5,184	2,963	2,788	5,750	5,182
SS Debt payment.....	-	-	-	-	-	-	-
TT Loans and special payments.....	29	-	245	5	256	-	3,189
Total expenditures and other financing uses.....	10,064	22,127	19,751	13,241	13,142	19,335	21,324
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses....	(1,933)	1,636	2,005	984	299	464	(1,307)
Fund balance (deficit) at beginning of year.....	(1,778)	5,632	6,683	4,079	2,650	18,045	4,857
Fund balance (deficit) at end of year.....	\$ (3,711)	\$ 7,268	\$ 8,688	\$ 5,063	\$ 2,949	\$ 18,509	\$ 3,550

Massachusetts Bay Community College	Middlesex Community College	Mount Wachusett Community College	Northern Essex Community College	North Shore Community College	Quinsigamond Community College	Roxbury Community College	Springfield Technical Community College	TOTALS	
								2002	2001
\$ 2,012	\$ 4,077	\$ 3,484	\$ -	\$ 5,951	\$ 3,139	\$ 890	\$ 3,997	\$ 47,439	\$ 39,664
8,992	16,197	9,354	25,999	13,834	11,303	754	15,970	161,681	143,443
1,102	5,293	2,953	3,137	6,390	6,482	5,032	9,651	78,005	70,567
12,106	25,567	15,791	29,136	26,175	20,924	6,676	29,618	287,125	253,674
648	4,922	1,834	971	6,865	2,147	375	1,897	39,414	36,185
244	437	333	10	107	94	138	174	2,663	3,530
3,607	7,427	3,551	39	3,846	5,195	3,789	4,545	58,806	61,026
146	1,324	390	235	373	373	121	512	6,979	7,606
1,247	1,786	938	18,449	1,806	1,591	169	1,863	36,957	29,957
425	859	509	17	2,117	2,464	362	2,511	16,463	15,647
637	1,423	849	303	764	225	7	402	6,985	3,780
2,657	841	1,089	24	885	861	470	1,034	11,803	10,210
617	780	324	69	1,272	116	321	378	8,714	9,430
151	271	574	198	268	148	144	393	5,964	8,898
344	459	607	5	649	1,957	95	1,000	7,848	5,476
-	-	194	-	19	-	9	1,276	2,157	1,861
25	-	1,349	-	52	650	-	146	3,731	3,613
-	-	154	-	-	-	-	-	154	207
1,974	3,056	3,044	7,369	5,580	4,472	1,450	4,195	59,029	51,823
250	-	-	-	578	-	-	-	828	508
-	30	70	-	243	622	31	-	4,720	974
12,972	23,615	15,809	27,689	25,424	20,915	7,481	20,326	273,215	250,731
(866)	1,952	(18)	1,447	751	9	(805)	9,292	13,910	2,943
7,005	534	1,523	2,301	2,750	663	1,451	10,439	66,834	63,891
\$ 6,139	\$ 2,486	\$ 1,505	\$ 3,748	\$ 3,501	\$ 672	\$ 646	\$ 19,731	\$ 80,744	\$ 66,834



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